Daily Report

Latin America

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Cuba

Castro Attends Seminar on Primary Health Care

FL1203181591 Havana Radio Progreso Network in Spanish 1725 GMT 12 Mar 91

[Text] Commander in Chief Fidel Castro is attending the Third International Seminar on Primary Health Care which began today at the Convention Center in Havana. More than 1,000 Cuban and foreign delegates from several continents are meeting at this scientific event, which will run until 16 March. WHO Director General Dr. Hiroshi Nakajima is also at the meeting. The main topics are the family doctor, health for all, and local health systems. Shortly after his arrival in Havana, Hiroshi Nakajima said that the levels of infant mortality achieved in Cuba by the revolution are truly extraordinary. Nakajima also noted life expectancy in our country, which now exceeds 75 years of age, and said that it is among the highest in the world.

Almeida Inspects Guira de Melena Food Program

FL1103213391 Havana Radio Reloj Network in Spanish 2032 GMT 11 Mar 91

[Text] Juan Almeida Bosque, member of the Central Committee of the Communist Party of Cuba, has visited agricultural areas of the Guira de Melena municipality in Havana Province to inspect the food program in this region.

Almeida, accompanied by Manuel Tabares Godoy, party first secretary in Guira de Melena municipality [name and title as heard], visited the new [words indistinct] camp where he talked with those mobilized from the Foreign Relations Ministry [Minrex] and other organziations which support the development of the food program.

Almeida also obtained information about the activities carried out by the Guira de Melena miscellaneous crops enterprise. He visited the area where the first agricultural settlement will be built and which is now under construction.

At the end of his tour through the Guira de Melena municipality, Almeida stated that through the implementation of new farming techniques, optimum results in the agricultural sector can already be observed.

CEATM Holds Annual Assessment Assembly

FL1303115591 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 13 Mar 91

[Text] In view of the low level of resources available, the State Committee for Material and Technical Supply [CEATM] has established a rigid priority program so as to deliver existing material to national priority programs.

This was disclosed at the CEATM annual assessment assembly which identified as priority programs the food program, public health, the medical-pharmaceutical industry, biotechnology, and tourism.

In his speech, Division General Senen Casas, Communist Party of Cuba Central Committee alternate member, said that this meeting showed how CEATM deals with state problems and how to take advantage of available resources.

The report also praises the study carried out to expedite the reception and delivery of merchandise in keeping with consumer demands. The nonfulfillment of the collection of raw materials was the subject of discussions which stressed the need to adopt measures in case of an eventual period that will demand more efficiency in the collection of wastes to be reused by industries.

Construction Begins on Underwater Oil Pipeline

FL0903183691 Havana Radio Progreso Network in Spanish 1725 GMT 9 Mar 91

[Text] First steps to build an underwater oil pipeline have begun in the Punta Velera region, on the western coast of Leviza Bay in Holguin Province.

The work is being carried out by brigades one and 11 of the Pipeline Construction Enterprise of the Basic Industry Ministry. The pipeline seeks to guarantee an oil supply to the thermo-electrical power plant being built in Felton. This pipeline will be about 8 km long. Half of it will be built underwater. Two segments of the pipeline will be built across the inlets of Arroyo Blanco at Leviza Bay and Cagimaya at Nipe Bay.

Matanzas Residents Sentenced for Embezzlement

FL1103235391 Havana Radio Reloj Network in Spanish 2037 GMT 11 Mar 91

[Text] The Matanzas People's Court has sentenced Prudencio Olivas Ceballos to 10 years in jail. Olivas Ceballos stole huge amounts of money in his capacity as a warehouse manager.

The same court sentenced Daniel Crusors, Olivas' son-in-law, to five years in jail for being an accomplice. Crusors worked for several years at the (?Dubroc) factory where Olivas Ceballos was a warehouse manager.

Olivas Ceballos and Crusors stole food products and alleged surplus funds. Olivas Ceballos was able, moreover, to obtain significant sums of money by reporting more empty bottles than were actually handed over to the cart drivers.

When issuing the court ruling, Matanzas presiding court Judge Osvaldo Alvarez Torres said that this case is encompassed in the Cascavel operation launched in November 1990.

Bank Governors Meeting Closes, Silva Interviewed

FL0903133091 Havana Tele Rebelde Network in Spanish 1200 GMT 9 Mar 91

[Text] Speaking after the closure of the 52d meeting of central bank governors from Latin America and Spain, Jesus Silva Herzog, director of the Center for Latin American Monetary Studies, said the following:

[Begin Silva Herzog recording] I believe there was consensus in that the monetary policy should seek a greater stability of prices. There was also consensus in that little can be done amid inflation, which causes an exaggerated increase in prices. [end recording]

The delegates to the 52d meeting of central bank governors from Latin American and Spain also praised the work carried out by the Cuban National Bank which in 1952 was one of the founders of the Center for Latin American Monetary Studies. They chose Cuba to hold their discussions on Latin American and Caribbean economic problems.

[Begin Silva Herzog recording] The governors achieved a concensus. This would have been impossible to do three, four, five, or 10 years ago because central banks were entrusted with other tasks such as the promotion of development, the better distribution of activities at the regional level. This has been changed not because these objectives are not important, but because they are not part of central bank activities. [end recording]

Choe Kwang Meets Fidel Castro in Havana

SK0903100991 Pyongyang Domestic Service in Korean 2200 GMT 8 Mar 91

[Text] Comrade Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba [PCC], president of the Council of State, and Council of Ministers of the Republic of Cuba, met on 7 March with the DPRK military delegation led by Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the General Staff of the Korean People's Army.

At the meeting, the head of the delegation conveyed the regards of the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il to Comrade Fidel Castro.

Expressing deep thanks for this, Comrade Fidel Castro asked the head of the delegation to convey his warm greetings to the great leader Comrade Kim Il-song and the dear Comrade Kim Chong-il. A conversation took place in a friendly atmosphere at the meeting.

Also present at the meeting were Ulises Rosales del Toro, alternate member of the PCC Central Committee Politburo, first deputy minister of the Cuban Revolutionary Armed Forces, and chief of the Armed Forces General Staff; Pak Chung-kuk, ambassador of our country to Cuba; and the military attache of our embassy there.

ROK Front Representative Holds News Conference

SK1103050991 Pyongyang Domestic Service in Korean 2200 GMT 7 Mar 91

[Text] On 4 March, Yi Sang-chol, representative of the South Korean National Democratic Front [SKNDF] mission in Cuba, held a news conference in Havana. Reporters from Cuban papers, news agencies, and television stations participated in the news conference.

Representative Yi Sang-chol spoke at the news conference. He talked about the recent situation in South Korea and continued as follows:

The danger of colonial rule is becoming all the more serious as the U.S. imperialists and the No Tae-u fascist clique are clinging to suppression and war maneuvers and as irregularities and corruption have been exposed in the political circles.

The No Tae-u ring has strengthened the suppression of the people by declaring war against crime, thus, carrying out martial rule without making any proclamations. Also by forcing the Team Spirit joint military exercise once again, it is rupturing dialogue and is further enhancing the danger of war.

He said that the South Korean situation is serious and complex, but the people from various walks of life have confidence and are struggling to achieve victory in the movement for independence, democracy, and reunification. He also stated that the SKNDF recognizes this year as a decisive year that ensures the stepping stone for victory in the confrontation with the fascist nation-sellers and that it shares the joy and sorrow with the masses, fighting to the end.

He said that a joint meeting of the Standing Committee of the SKNDF Central Committee was recently held in Seoul. He noted that in the meeting a document on the current state of affairs and the immediate task of the national and democratic movement were adopted and also stated that the immediate task of the national and democratic movement is to center around the anti-U.S. struggle to achieve independence while rupturing the No Tae-u fascist clique's maneuvers to perpetuate national division and promoting the reunification of the fatherland.

He said that at the expanded meeting, discussions and decisions were held on the issue of firmly uniting the patriotic democratic forces on the occasion of the upcoming local council elections for local autonomy and, with regard to this, the issue of preparing and presenting the SKNDF open letter and slogans.

Quebec Commercial Delegation Meets Officials

FL1203030091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 12 Mar 91

[Text] A commercial delegation from Quebec, Canada, began negotiations today with Cuban officials to

strengthen and extend bilateral ties. The Quebec delegation is made up of representatives from 10 Quebec industrial enterprises. They are scheduled to hold meetings until 17 March with officials from Cuban enterprises, the Cuban Chamber of Commerce [CCC], the Ministry of Foreign Trade, and the Ministry of Agriculture.

These negotiations will result in the trade of nontraditional products and will create more dynamism in bilateral trade on the basis of mutually beneficial terms. Bilateral relations will include the railroad, agricultural, and health sectors. Among other things, it will encompass trade of equipment and materials, railroad spare parts, agricultural development products, solar energy systems, timber, pharmaceutical products, and medical and laboratory equipment.

The plenum session was headed by Engineer Martha Camacho, CCC secretary general; and by (Claudette Latchance), Quebec International Affairs Ministry advisor.

Antigua and Barbuda

Prime Minister Bird Faces Parliament Rebellion

FL1203020591 Bridgetown CANA in English 2239 GMT 11 Mar 91

[Text] St John's, Antigua, March 11, CANA—Antigua and Barbuda's aging Prime Minister Vere Bird, Sr. on Monday faced a rebellion from seven government parliamentarians calling for his immediate retirement over his handling of the budget presentation last week.

The seven, including Deputy Prime Minister Lester Bird, [Jr.], a son of the prime minister, and four ministers, accused the 81-year-old leader, in a letter, of plunging the government into a constitutional crisis by reading the summary of the budget instead of the full text. The presentation to Parliament took 20 minutes, the shortest ever budget here.

Prime Minister Bird recently assumed responsibility for finance after Finance Minister John St. Luce resigned because proposals he had submitted to the prime minister for restructuring the government were not accepted. The rebels proposed Lester Bird [?Jr.] for prime minister, with St. Luce as his deputy.

But the prime minister moved quickly to put down the rebellion by going to see the governor-general about a cabinet reshuffle which, sources told Canaradio, was deferred until Thursday to see if the rebel MP's [members of Parliament] would carry through with a threat to vote against the budget in Parliament.

Besides the deputy prime minister and St. Luce, the other MP's calling for the prime minister's resignation are Public Works Minister Eustace Cochrane, Public Utilities Minister Robin Yearwood, junior minister Henderson Simon, Trade Minister Hugh Marshall, and government backbencher Joseph Myers.

Canaradio reported Prime Minister Bird planned to fire both Marshall and Simon, and transfer Lester Bird to the Ministry of Education in the proposed reshuffle.

Negotiates Parliament Revolt

FL1203221091 Bridgetown CANA in English 2106 GMT 12 Mar 91

[By Colin James]

[Text] St. John's, Antigua, March 12, CANA—Beleaguered Antigua and Barbuda prime minister, Vere Bird, Sr., held talks with selected parliamentarians Tuesday amidst a rebellion by government MP's [members of Parliament].

A government minister who asked not to be identified said Bird's son, Lester, heading a revolt against the elderly leader, was not among those meeting until noon at the prime minister's home in Tomlinsons, just outside St. John's.

The meeting, lasting about an hour, dealt with the budget, which Bird, Sr. presented in Parliament last week. Lester Bird and six other government MP's had accused the 81 year-old leader of plunging the government into a constitutional crisis by reading the summary of the budget and not the full text. They called for his immediate retirement.

The rebel group, said to include Trade Minister Hugh Marshall and Junior Minister Hendy Simon, appeared to have narrowed Tuesday, with sources in the ruling party saying that at least one of the seven was siding with the prime minister.

There was speculation here that the prime minister would deal with the rebel group in a cabinet reshuffle on Friday. A government minister told CANA there was no plan to fire any members of the rebel group, but that a reshuffle of portfolios was planned.

Opposition party leader Tim Hector said Lester Bird would be switched from the Foreign Ministry to Education and lose his position as deputy prime minister. Hector said that for the first time, Antigua would have two deputy prime ministers. The first deputy would be Health and Labour Minister Adolphus Freeland, and the second, Public Works Minister Eustace Cochrane.

Hector said he understood Marshall and Simon would be sacked.

Haiti

Police Kill 2 in Government Anti-Zenglendo Action

FL1103232391 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 8 Mar 91

[Text] According to a press release issued by Rene Preval, minister of the interior and national defense, who is also prime minister, the government says it has decided to put an end to the security problem. The statement says that the government has instituted an anti-zenglendo operation, a plan for fighting zenglendos.

Since 5 March, the police of Port-au-Prince have been tracking the team of zenglendos who killed Dr. Robert Coirin on Canape-Vert Road. On 6 March, a soldier, who is a member of this team of zenglendos, was arrested. The soldier was obliged to acknowledge that he was present at a house in Ruelle Cygogne, in Delmas 83, while the assassins were sharing the money they stole from Dr. Coirin.

The government gave police the freedom to arrest zenglendos in their dens that same evening. When the police arrived, the thieves shot at and launched a grenade at them. The police responded appropriately, causing two zenglendos to fall dead on the spot. The two men were identified as Michel-Ange Lubin and Maxime Francois, both of whom were previously arrested as zenglendos, but were released under unclear circumstances.

The police found one .38-caliber revolver with five cartridges, one 12-gauge shotgun, one grenade, one 9-mm gun loader, and one motorcycle without license plates in the house. Three men on a motorcycle without plates had killed Dr. Coirin with a 9-mm gun. The police also found several balls of crack in the house and arrested two women who were living with the zenglendos. The women are under court order.

The police of Port-au-Prince are confident that their continuing investigation will enable them to break up this apparently well-organized team of zenglendos.

On the same day, 6 March, the police and the justice of the peace went to search the house of Francois Laguerre in Laboule. There they discovered three [word indistinct] 9-mm guns, 100 9-mm cartridges, 38 [as heard] .38-cal. cartridges, two full 308-rifle loaders, and 150 308-rifle cartridges. These cartridges are used in heavy weapons such as Fall [as heard] and M-14's [as heard]. The police arrested Francois Laguerre's son, Francois G. Laguerre, who will be handed over to the law.

The government expresses its congratulations to the police, who continue their mission to end the security problem. It is the wish of the Haitian people and of the constitutional government to rid the country of this menace.

The press release was signed by Prime Minister Rene Preval, who is also Minister of the Interior and of National Defense.

Aristide Explains Position on Macoute Dossiers

FL1303004591 Port-au-Prince Radio Haiti-Inter in French 1300 GMT 12 Mar 91

[Telephone interview with President Jean-Bertrand Aristide by Jean Dominique, director and owner of Radio Haiti-Inter—live; italicized passages in Creole]

[Text] We were a moment ago discussing the press release issued by the minister of justice, lawyer Bayard Vincent, on the dossiers that are to be made public. We were just questioning, among others, the dossier of William Regala [former minister of the interior under General Henry Namphy and Professor Leslie F. Manigat], and wondering where this sinister personage can be.

Well, we have a surprise, the happy surprise of being called, straight from the National Palace, by the president of the Republic himself, who intervenes to explain the position of his government on these dossiers, and to stress the urgency of updating and following up on them in order to finally bring this inquiry to an end. Let us listen to the president of the Republic, Reverend Father Jean-Bertrand Aristide.

We have the President of the Republic, Reverend Father Jean-Bertrand Aristide on the line. He is going to comment on the matter of William Regala and the justice minister.

Good morning, Mr. President. How are you doing?

[President Aristide] *Good morning, Jean. I am glad to hear your voice, and as usual when I hear you, I open my ears like the Haitian people listening to news. This morning, I was pleased that you asked questions about the William Regala dossier, which the justice minister did not mention in his press release.*

Yesterday we were going through some important dossiers with the justice minister, the government commissioner, and four other lawyers. You did not know about this, Jean, but according to what I just heard, you did feel the necessity to ask questions about such significant cases as [the slaughters of] Jean-Rabel and 29 November [1987]. My dear, I am happy about the questions you asked because I myself was asking these same questions this morning since it was agreed only yesterday that the law would issue a pursuit order against William Regala.

I have followed him. During the past two weeks, I have studied his ways, followed his comings and goings. This morning, as you used to say: nothing! [miette!] I have heard nothing, whereas yesterday it was quite clear that there are enough complaints lodged against William Regala for the order of pursuit to be issued—yesterday. But nothing! [miette!].

It was also agreed that I would keep following, almost step by step, Franck Romain, although officially, he is living in the Dominican Republic.... His comings and goings there in the Dominican Republic with Baguidy [former Major Joseph Baguidy, a well-known Macoute who reportedly

shot down lawyer and presidential candidate, Yves Volel, in October 1987, in front of the police headquarters in Port-au-Prince] ...who we have not yet called back, but who we must call back. I have followed them. All the zenglendo acts being committed.... Do not forget: We recently arrested zenglendos who are not Haitians. I am also tracking these men.

[President Aristide] *When we see that today I hear nothing about Franck Romain, when yesterday it was agreed that legal action would be brought, that does not mean that you will not hear about action being brought even today—yes, I hope so. That must be done. It is in this way that I ask questions while you are asking the same questions and that we, the Haitian people, know that food prices cannot yet be lowered as much as we wish, that we cannot yet lower the flag of the high cost of living as we must succeed to, that life cannot yet be really better for Haiti's unfortunate men and women, but I do know that* while expecting bread to eat, we can share the bread of justice through participation, openness....

I come to share transparency [openness] with you. I am here to let you feel how you and I have the same concerns for justice, the same interest in having the important dossiers moved forward. It was quite clear yesterday that we would not let the Jean-Rabel dossiers, the 29 November dossiers, and the dossiers of several other massacres sleep. We began to wake them up. This is what the justice minister's press release is revealing in part. I thus wanted to call to take stock.

Meanwhile, I even wondered if it would not be possible to hold special criminal assizes so that the trial of Roger Lafontant does not get put off for too long, so that the trial of Marc-Antoine Lacroix [accused of having killed at least seven children in Martissant, Port-au-Prince, in March 1990, right after the fall of General Prosper Avril] does not wait too long. I hoped to achieve that. Perhaps it is not too late.

Thus, in accordance with the responsibility I assume through this [presidential] mandate that the Haitian people have given me, I can share in achieving justice while waiting for the high cost of living to be reduced. I wanted this morning to let you know that I have the same concerns as you, and to remind you that united we are a flowing avalanche [lavalas] of justice. I am certain that before long we will no longer be deceived.

Jean, this is what I had to share with Radio Haiti. I am grateful for this opportunity, and congratulate you for the way you prick up our ears with good news by providing news. Stand fast, my friend, we are moving forward, united together, so that the light of justice can shine out.

[Dominique] *Thank you, President Titide. [Aristide's nickname] You have pleased me this morning, and are gladdening the hearts of all Haitians this early morning. Mr. President, please continue to bring justice. With many hands joined together, the load of justice will not be heavy on your shoulders.*

[Aristide] *Certainly.*

[Dominique] *See you soon.*

[Aristide] *See you soon, my dear.*

Justice Minister Gives Update

FL1303022691 Port-au-Prince Radio Metropole in French 1700 GMT 12 Mar 91

[Excerpts] The minister of justice ordered that the state dossiers be heard during the coming criminal session, which will begin during the first 15 days of May in the Port-au-Prince jurisdiction. Cases such as those of Marc Antoine Lacroix [accused of killing seven young people in Martisan]; Elize Jean-Francois [involved in the slaughter in Saint-Jean Bosco Church, according to police]; and Pierre Malvoisin and colleagues will be heard during this session. The minister met with the press today to provide details of other important dossiers.

It was as the result of a general survey on important criminal dossiers that the minister of justice, Bayard Vincent, talked with the press this morning. The minister of justice pointed out that the judicial machine has begun with the appointment of the new government commissioner of Port-au-Prince, lawyer Antony A. Louisdon.

Minister Vincent advised of a special judicial session in May for the trials of Marc Antoine Lacroix; Elize Jean-Francois; and Pierre Malvoisin, for his criminal action against the Provisional Electoral Council.

As for Roger Lafontant and his accomplices in the abortive bid for power on 7 January, Minister Vincent stated that the dossier is in progress: 17 coupists have already been heard. The new commissioner must hear the three others accused. The justice minister mentioned only a few obstacles in pursuing the dossier on Lafontant, particularly the nonpublication until now of the Army High Staff report regarding the military men allegedly involved in the coup attempt.

Other burning questions on judicial matters are being pursued, added Minister Bayard Vincent, who stated that he was working on cases without naming anyone because he has no right to reveal certain facts before they become official. [passage omitted]

The minister of justice also discussed the 5 December slaughter when people were demonstrating in favor of Father Jean-Bertrand Aristide, then presidential candidate. Three people have already been arrested in connection with this case: Yvon Jules, Lucner Jules, and Roosevelt Frager, who are presently in prison.

As for Yvon Jules, a list called "Seventh Float" was found in his pocket, a complete list with the names and missions of those composing this coterie—missions such

as stealing cars; the attack on the money-changers; and people who were to participate in the 5 December slaughter in Petionville. These people have been arrested and their trials will begin soon in Port-au-Prince, said the minister of justice, lawyer Bayard Vincent.

With respect to the lawsuit against the Duvaliers, the dossier is back up for discussion. Contact has already been made with the French justice system and the justice systems of Luxembourg, the United States, and Switzerland in an effort by the Haitian Government to regain the money stolen by Jean-Claude Duvalier.

The new government commissioner, lawyer Antony A. Louisdon, guarantees that all the dossiers will be conducted correctly. [passage omitted].

More details will be provided during the 0600 newscast regarding the conference given by the minister of justice and the government commissioner.

El Salvador

Arena President Rejects Electoral Fraud Charges

PA1303050591 San Salvador Canal Doce Television in Spanish 0316 GMT 13 Mar 91

[Text] Dr. Armando Calderon Sol, Arena [Nationalist Republican Alliance] party president and San Salvador mayor, has rejected fraud charges by the Democratic Convergence [CD] party during the recent elections, and said that this left-wing coalition has become a third political force.

Dr. Armando Calderon Sol questioned the CD accusations which claim fraud was committed during the elections. According to Ruben Zamora, the Arena party is trying to strengthen the PCN [National Conciliation Party], which would force the CD into fourth place. Calderon Sol reffirmed that this left-wing party has managed to become a third political force.

[Begin recording] [Calderon] Arena gave a clear and brilliant demonstration on 10 March of how a ruling party should behave. I believe that these opinions, such as the CD saying that we are trying to help the PCN, are problems they have to sort out among themselves. I can clearly say that we are very pleased over the election results.

[Reporter] Doctor, what do you suppose the CD's position is?

[Calderon] I cannot say exactly what place they are in—whether they have become the third or the fourth political force. I am under the impression they will end up as the third political force, but I am not sure. I believe we had better wait until the final vote count certificates arrive from all the departments. The CD has shown more strength in the city of San Salvador and San Salvador Department than in the country's interior. [end recording]

Dr. Calderon Sol rejected the positions held by the political parties that claim to have a majority of seats at the National Assembly.

[Begin recording] [Calderon] I can assure you that we have the majority—an absolute majority. We are looking at our calculations and right now we have approximately 40 deputies confirmed. All of these are confirmed by the system; we still have to confirm the absolute majority, which would mean 43 deputies. We will have to wait on this. I can assure you, however, that Arena is the majority force and we have without doubt won most of the deputy nominations at the assembly. [end recording]

The reelected mayor of San Salvador added that the participation of left-wing parties at the National Assembly will be very beneficial, because there will be a greater opportunity for debate in the legislative branch decisions.

PDC Leader Says Results Will Favor Peace Talks

PA1203183191 San Salvador Radio Cadena YSKL in Spanish 1200 GMT 12 Mar 91

[Text] Christian Democratic Party [PDC] leaders have said that Sunday's election in El Salvador resulted in a tie between the opposition and the ruling right-wing Nationalist Republican Alliance (Arena), which will favor the peace negotiations.

PDC Secretary General Fidel Chavez Mena said that his party obtained between 28 and 30 of the [word indistinct] Legislative Assembly seats, while the left-wing Democratic Convergence may have obtained seven or eight seats, according to his own estimates.

Although no official election reports have been announced yet, according to other estimates, Arena obtained approximately 48 percent of the votes, the PDC close to 30 percent, and the leftist party about 15 percent. This represents a setback for the PDC when compared to the 1989 elections.

PDC leaders, however, voiced their satisfaction with the results because there is a virtual tie between the entire opposition and the government. This tie will allow Salvadorans to promote the negotiation process and reach a national agreement, Chavez Mena concluded.

CD Leader: Election Results 'Great Triumph'

PA1203202791 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 12 Mar 91

[Text] The Democratic Convergence (CD) has undoubtedly emerged as the third political force in El Salvador by obtaining 16.5 percent of votes. It has also become the second political force in San Salvador, according to preliminary computer data.

CD Leader Ruben Zamora said that this is a great triumph, adding that it was the first historical victory of democratic forces to bring about peace, democracy, and justice for the great majorities in the country.

He stressed that the larger number of votes for the left shows that people want a negotiated political solution to the war. He added that by becoming one of the three main political forces, the CD clearly appears as an emerging political force in the nation's political life; this means that in two years, the number of votes received by that party has increased four times.

[Begin recording] [Zamora] There is no question about that; I think this is a great triumph. Now the CD is undoubtedly one of the three main forces. The fact that we obtained the second place in the capital and in the largest department—and I think that the results will be the same in La Libertad Department—clearly shows that we have escalated from 3.8 percent to, I do not know how much it will be at the end, but some predictions give us 15 to 16 percent. This means that in two years we have increased our percentage of votes almost four times. This

is a real feat. I take this opportunity to sincerely thank the thousands of CD activists who made this great triumph possible.

[Reporter] [Words indistinct] that you believe could result in Congress; how could that favor the negotiations to attain peace in the country?

[Zamora] As we said during the campaign, we must see who finally controls the majority in Congress. In any event, I believe that the presence of a large number of deputies representing the opposition and various forces will help make the Legislative Assembly a real tribune for debates in order to advance in the negotiation process. Unfortunately, so far it has been a bottleneck for the negotiation process. [end recording]

Meanwhile, Rene Flores, leader of the National Revolutionary Movement, a party that belongs to the CD, strongly criticized the elections, which he said were characterized by numerous irregularities and deficiencies by the Central Electoral Council members in carrying out such an important mission.

Flores said that during the elections there were various obstacles that prevented many voters from casting their votes. This occurred mainly in places where the opposition was strong, conditions that make the elections more illegitimate.

Accuses CCE of Fraud

PA1203223791 San Salvador Radio Cadena YSU in Spanish 1730 GMT 12 Mar 91

[Report by Fausto Balladares—broadcast in progress]

[Text] ...electoral fraud has been carried out to make the PCN [National Conciliation Party] the third political force in the country, which would benefit the ruling party. Ruben Zamora, leader of the Social Christian Peoples Movement of the Democratic Convergence [CD], said the Central Electoral Council [CCE] is to blame for the voter absenteeism in the 11 March elections. The absenteeism can be attributed to at least six causes, including the failure to include names on the voter registration lists, changes and reductions in the number of voting places, and the lack of mass transit.

Zamora also denounced the fact that some CD ballots were tossed out in the street in Soyapango Municipality. The CD noted that it garnered at least 16 or 17 percent of the votes, which make it the third political force.

[Begin Zamora recording] We want to denounce the open manipulation of the results by the CCE yesterday, since it based its initial reports on certain places. This clearly distorts the nationwide results. The idea is give third place to the PCN instead of to the party that really earned that position, namely the CD. This constitutes a brazen manipulation of the results of the elections, which is the news that appeared in all the newspapers. We believe this fraud casts doubts on the CCE's competence and honesty. In this respect, the CD has no other alternative than to undertake, beginning this afternoon, the strictest vote-counting, ballot box by ballot box and ballot by ballot if possible, so that all these forms of fraud can in some way be stopped and the country can thus live up to the Salvadoran people's commitment to vote.

Besides this sophisticated fraud scheme, we want to condemn the fact that we have gone back to old forms of brazen fraud, such as removing the ballot boxes of a specific political party. I want to show you the following: Here you have CD ballot boxes for the municipal council and mayor in Soyapango. All of them have the corner clipped off, are signed by the municipal president, and carry the corresponding seals. In sum, these ballots were cast, and yet a citizen found them thrown out in a Soyapango street. [end recording]

Zamora said PCN leader (Ernesto Curi) is to be held responsible for the fraud. (Curi) was also accused of engaging in a similar action in 1977. The CD reacted this way to the latest tally by the CCE, which places it in fourth place, behind the PCN. The leftist coalition interpreted the fraud as a hard blow to the will of the people, who want to have an opposition in the National Assembly that will inject vitality into the current negotiating process.

CCE: No Report on Charges

PA1303050191 San Salvador Canal Doce Television in Spanish 0311 GMT 13 Mar 91

[Text] Jaime Romero Ventura, president of the Central Electoral Council [CCE], has reported that he has no official report of the denunciations filed by the Democratic Convergence [CD]. Nevertheless, PDC [Christian Democratic Party] municipal councilman Ricardo Perdomo said that the CCE will look into all of the irregularities observed during and after the Sunday elections.

Although the CCE has not officially been notified by the CD that ballots with votes for the leftist coalition were found on the streets of Soyapango, it pledged to make the proper investigations and establish responsibilities.

[Begin Romero recording] I would like the CD people to make an official report to the CCE. Of course, we have to investigate the report and establish responsibilities. I have no idea which municipality they are referring to. Even more, the Soyapango municipal electoral board has not yet sent its official results to us. [end recording]

In addition, PDC municipal councilman Ricardo Perdomo said that all irregularities occurring in the electoral process will be sanctioned according to the law to make the elections as transparent as they deserve to be.

[Begin Perdomo recording] All irresponsibilities resulting from bad faith, deceit, or ill intention by either parties or persons will be prevented from hampering the process. We will see to it that the process is transparent. I think the political willingness to do it exists. Today, we

convened the secretary generals of all the political parties and set up with them the rules for carrying out the vote count. We asked them for their political willingness to correct any irregularities that might have occurred. [end recording]

Both the CCE president and the PDC municipal councilman referred to the report filed by the CD minutes before the beginning of the final count of the Sunday elections. The event was attended by Prosecutor General Roberto Mendoza.

PCN Deputy Rejects Opposition's Accusations

PA1303045991 San Salvador Canal Doce Television in Spanish 0309 GMT 13 Mar 91

[Text] PCN [National Conciliation Party] deputy Ernesto Kouri has rejected the accusations that were leveled against him by the Democratic Convergence [CD] and one foreign observer.

Kouri said that both Ruben Zamora and Dr. Lee Ahn have acted irresponsibly by saying things that Kouri described as biased.

[Begin Kouri recording] They have been irresponsible in saying things they cannot confirm, especially since the San Miguel elections were held under the surveillance of true OAS observers. The gentleman says he saw me looking a little sad—I would say tired—on Sunday because of the elections. He must have seen me by 0900 or 1000, when I retired. I do not think that at that hour anyone could tell the results of an election. [end recording]

According to Kouri, the remarks by the parties represented in the CD are attributable to the sadness caused by their defeat in the elections. He also said that Zamora was a liar because he [Zamora] said that PCN had stolen a victory from the Christian Democratic Party [PDC] in Lolotique.

[Begin Kouri recording] If Zamora said that, he is a big liar because at no time has the PCN appeared as a winner in Lolotique. The PDC won in this place by a margin of five votes, according to the final vote count in San Miguel. The results have not been modified. I think Dr. Zamora is either a big liar or greatly irresponsible. [end recording]

Finally, Kouri thinks the leftist parties are looking for any opportunity to pretend that they have followers throughout the country.

UDN Leadership Accuses CCE of Manipulation

PA1303040691 San Salvador Canal Doce Television in Spanish 0303 GMT 13 Mar 91

[Text] The UDN [Nationalist Democratic Union] leadership said this morning that it was worrisome to see that the Central Electoral Council [CCE] is manipulating the election results. According to the UDN leaders, there can be no democracy in El Salvador if the CCE and the government manipulate the people's wishes as expressed in their ballots.

UDN Vice President Eduardo Calles stated the elections were not just marked by technical flaws, but also by the way in which Arena [Nationalist Republican Alliance] members in the different voting places manipulated the votes and intimidated the people.

[Begin Calles recording] We are now seeing that the results are being handled in a distorted manner, which gives the impression that our position is much lower than it really is and helps other parties that have made alliances with the ruling party. We are mentioning this as our initial concern. We will continue making our analysis and will wait for clearer and more official results by the CCE. We want to say that we will not let the wishes of the people be foiled on this occasion. [end recording]

The UDN leaders also said the government is trying to help the National Conciliation Party, PCN. According to them, the number of ballots marked for the PCN in the voting centers is much lower than the results provided by the CCE.

[Begin Calles recording] The ploy is clear; namely, to keep Arena in first place, put the Christian Democratic Party in an albeit limited second place, bring the PCN to third place, and leave the Democratic Convergence and UDN behind in fourth and fifth places. Why? So that the relative balance in the Legislative Assembly can be tipped in favor of the rightist positions. However, that does not reflect the wishes of the people as expressed on 11 March. [end recording]

The anomalies that the UDN alleges are taking place at the CCE regarding the final vote count clearly show there are no conditions present which allow the leftist political opposition to participate in elections in the country. The UDN leaders added that Arena cannot have a congressional majority, considering that at least 50 percent of the people did not vote.

Armed Forces Reportedly Attack CD Followers

PA1203200491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 12 Mar 91

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 12 March broadcasts a 3-minute report on remarks made by international observers on the development of the electoral process and an attack by members of the Armed Forces on Democratic Convergence (CD) supporters.

The report states that "CD followers were attacked last night by Armed Forces elements while they were having a party after the elections." The report further states that "Army troops entered the Nejapa community center, 2 km from San Salvador, and beat up on activists and

supporters of the CD." The Farabundo Marti report notes that as a result of the attack, "a young girl was seriously burned."

The report quotes a Belgium observer delegation member as saying "that members of the Nationalist Republican Alliance, Arena, did not allow the repatriates of Morazan Department to cast their votes." It adds that "the European observers noted the atmosphere of repression they found in the capital of Morazan Department" on the day of the elections. The observers regretted, the report continues, that approximately 150 repatriates of the Segundo Montes community, in northern Morazan Department, could not vote. The three-minute report states that, according to the observers, the repatriates "were prevented from voting because of the lack of clarity and organization in the electoral regulations as well as the repressive attitude of Arena, which did not want them to vote."

The report cites other international observers as "pointing out the lack of organization and the administrative errors made by the Salvadoran electoral authorities." It quotes Guatemalan observer Catalina Soberanis as saying that "the administrative errors of the Central Electoral Council caused the high degree of abstensionism." The report also states that former Guatemalan presidential candidate Alfonso Cabrera hailed the Farabundo Marti National Liberation Front for unilaterally declaring a truce on the day of the elections. U.S. Senator Alan Cranston "pointed out that the elections were characterized by confusion and administrative errors," the report concludes.

FMLN Reports on Election Irregularities

PA1203151491

[Editorial report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 11 March carries 15 minutes of reports on the 11 March elections. The first report states that in Santa Tecla, La Libertad Department, ballot boxes did not carry the Democratic Convergence (CD) party flag. "The CD candidate for Santa Tecla mayor said that the people were certainly fooled," Radio Venceremos reports. This report carries the recording of several unidentified voters. One of them says: "This is a ploy because this municipality is as important as San Salvador's. The problem arose because the CD was going to win it."

Radio Venceremos carries a CD communique on the situation in Santa Tecla, accusing the Central Electoral Council (CCE) of failing to print the CD's party flag, "although the party was fully registered at the departmental electoral board." It accuses the CCE of allowing the voting to go on "without considering the municipal electoral board's view." On March 9, Arena (Nationalist Republican Alliance) conducted proselytizing activities in (?Chiquihuat), Puerto de La Libertad, and other towns. "All of the above constitutes a serious problem because it harms the political gains achieved. The incipient democratic process may be hurt by these events," the communique says.

The rebel station carries a recorded statement by Julio Cesar Portillo, leader of the National Union of Salvadoran workers, charging that Arena "bribed just about all the Voting Table Boards, and that is just one example." Portillo mentions an incident in Jucuapa, San Miguel Department, where an Arena activist wounded a CD member with a machete. He concludes by saying: "Although the CCE president wants to justify this, the biggest anomaly consists of allowing for ballots that do not carry the CD flag." The rebel radio station carries another recording by an unidentified CD member, accusing Arena members of voting more than once." "The OAS observers have not come here," he noted, adding that "Arena is practically exercising control." Next, Venceremos carries a report on the communique issued by the nongovernment Salvadoran Human Rights Commission (CDHES), charging that "Arena activists closed another voting place in San Miguel Department, saying that everybody already voted." The CDHES adds that the names of many peasants, "even those who voted in the previous elections, are not on the voter registration list." "Colonel Oscar Alberto Linares, Military Detachment No.4 Commander in Morazan, went into the Gotera Institute heavily armed and accompanied by an Atlacatl Battalion squad."

Radio Vencermos says that "in Cuscatancingo and other municipalities, the ballox boxes had not been opened until 0900, and elsewhere the ballot boxes had not been opened by noon." The station carries a recorded statement by an unidenfitied CD member charging that armed National Guardsmen are inside the voting places and that Arena members conduct campaign activities despite a ban against such activities.

"In San Salvador, the residents of Apopa and Mejicanos protested because they were not included on the voter registration lists, the rebel station says. It adds that "in Zacatecoluca, San Juan Nonualco, persons who received their voter registration card in 1984 were not included on the lists." It also states that the residents of (Segundo Monte), in Gotera, Morazan Department, "found out that their names were not on the voter registration lists."

Reporting on events in Chalatenango, Radio Venceremos says that "Governor Jose Octavio Andulai went to the voting tables to insult those that were going to vote for the opposition. He also rudely threw out CD, Christian Democratic Party [PDC], and National Conciliation Party observers."

The station adds that in San Salvador, Felix Rodriguez, Apopa municipal electoral board member and Nationalist Democratic Union [UDN] campaign representative, denounced "death threats made by Arena activists" against a UDN official. He accused the Arena members of the electoral boards of allowing "some persons to vote up to four times, and allowing minors to vote." In

another report, the radio station cites Milagro Azcuanaga, PDC candidate for mayor in San Salvador, as claiming that "a group of armed men with Arena indentification kicked out and threatened a PDC member who was in charge of delivering San Salvador's ballot boxes."

Reports from Chalatenango Department indicate that "throughout the morning, 4th Infantry Brigade soldiers put up a road block to terrorize the people who were aboard buses to vote in La Palma, San San Ignacio, and (Citalai)." The soldiers lined the people up "and threatenened them with their rifles." "It has also been reported that Arena activists voted up to three times in San Ignacio," the report adds.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 11 March carries a seven-minute report on the 11 March election. A "guerrilla leader" from Chalatenango reports that Arena activists sent out buses to pick up voters in San Juan, (Abelares), and San Fernando and "practically came back empty."

Citing a report from Cuscatlan Department, Radio Farabundo said that the CD party flag "was not printed on the ballots for mayor," in Suchitoto. "We have learned that there are no military road blocks on Calle Nueva, in Suchitoto, but there are military roadblocks near the voting places, where the people are voting. That way, the military are terrorizing the voters," the report says. It adds an Arena member is violating the secrecy of the ballot by "checking to see what party the area residents are voting for."

In its final report, Radio Farabundo says that "the people of El Salvador have been able to see for themselves that the elections were held in a militarized climate. Main highways and entries to cities are filled with soldiers, who on many occasions have told people to get off the buses in order to search and intimidate them." It says that many voting places are militarily surrounded by top command forces, as is happening "in the Francisco Menendez National Institute, in San Salvador." "There is constant patrolling, and there are many roadblocks in San Salvador and nearby towns," the report says.

FMLN: Army, Right-Wing Election's 'Losers'

PA1203191491 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 12 Mar 91

[Text] The Farabundo Marti National Liberation Front [FMLN] asserted today that the major losers in the elections were the Army High Command and La Tandona [1966 graduating class of the Captain General Gerardo Barrios Military School]. A communique issued by the joint command of the Modesto Ramirez Central Front stated that the electoral results, which showed a reduction in votes for Arena [Nationalist Republican Alliance], represent the beginning of that party's upcoming great political defeat.

The FMLN feels that the elections also provide evidence of the failure of the miniscule parties of the old dictatorial right: the Authentic Christian Movement and the National Conciliation Party. Other major losers, according to the FMLN communique, were La Tandona and the Army High Command, because the election results reflect the trend of society toward civilian rule and a political solution.

Views Opposition's 'Victory'

PA1203195291 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0017 GMT 12 Mar 91

[Station commentary]

[Text] The 10 March elections have produced a victory for the democratic opposition, and in turn, for the negotiations in El Salvador. Participating under very unfavorable conditions and within an atmosphere of official coercion, part of the population opened the doors to a democratic platform within the legislative apparatus.

The opposition was able to win those seats of the formal power, although half of the electorate, affected by Arena's [Nationalist Republican Alliance] policy, could not vote because of the deliberate electoral disorder and the intimidation tactics of the military apparatus.

Nevertheless, the paramilitary Arena and its allies in the barracks henceforth will have to face new forms of struggle and pressure on the part of the national consensus. We Salvadorans have started a process of ridding the institutions of those who killed Monsignor Romero and the Jesuit priests.

The force of negotiations will also wage a battle at the legislative forum and uncover the advocates and promoters of impunity in El Salvador. That path is now open. The banners of justice and peace have won a first space. The military apparatus has lost spaces and allies who nursed from that apparatus like parasites.

The struggle against the dictatorship does not end with the elections. The efforts to achieve a government of national consensus will continue until the sweat of the majority the population and the rifles of democracy disintegrate the will of the military breed.

End of Truce Announced; Clashes Reported

PA1203194391 (Clandestine) Radio Farabundo Marti in Spanish to El Salvador 0000 GMT 12 Mar 91

[Text] The unilateral truce declared by the Farabundo Marti National Liberation Front [FMLN] ends today. This was an agreement that had been reached with the opposition political parties that participated in the 10 March elections. Today the truce ends throughout the national territory.

We will now give you the 11 March war report received from San Jose Guayabal, Cuzcatlan Department:

Our National Army for Democracy soldiers surrounded troops of the relocated Bracamonte Battalion in Cuzatlan. This action resulted in 18 casualties, one POW captured, and the seizure of war materiel.

Our men clashed with two Bracamonte Battalion companies near Los Lirios and La Cruz Cantons in San Jose Guayabal at 0900 on 10 March. During the clash, our troops encircled the government troops, who fled in total disarray when they noticed the maneuver. The fighting continued until 1830. The fleeing government troops left the body of a 20-year-old soldier named (Jose Antonio Bayres). They also abandoned a wounded soldier named Jose Efrain Navarro Garcia, who was taken prisoner by our forces. In sum, we wounded 15 soldiers, killed two, and took a prisoner. We also seized two M-16 rifles, two pieces of communication equipment, four knapsacks, and other war materiel.

Parties Sign 'Pact' To Demand FMLN Surrender

PA1203235791 Paris AFP in Spanish 2120 GMT 12 Mar 91

[Text] San Salvador, 12 Mar (AFP)—The three leading political parties of El Salvador, including the leftist Democratic Convergence [CD], have signed a "secret pact" to demand the disarmament of the Farabundo Marti National Liberation Front [FMLN] guerrillas, diplomatic and media circles reported today.

However, CD leader Ruben Zamora flatly denied having signed any accord with the ruling Nationalist Republican Alliance [Arena] or the Christian Democratic Party [PDC] to demand the rebels' surrender.

According to the unofficial results of the Sunday legislative elections, Arena, with 43 seats; the PDC, with 28; and the CD, with eight, will be the leading forces represented in the new Salvadoran congress, whose members will assume office in May.

Named "Secret Document" and leaked to the press through diplomatic circles in San Salvador, the text of the plan suggests that the commitment to negotiate the FMLN's surrender was personally made on 26 February by Ruben Zamora, who represented the CD, Arena President Armando Calderon Sol, and PDC leader Fidel Chavez Mena.

A top FMLN political source, consulted by AFP over the telephone from Mexico City, said the contents of the document are authentic. He pointed out, however, that "it is not clear whether or not it was signed by the persons who reportedly signed it."

The same FMLN source said that, in case this plan is formalized, the FMLN will "flatly reject" the Arena, PDC, and CD proposal "because it is impossible to accept the unilateral disarming of the guerrillas."

In statements to AFP regarding an alleged pact with Calderon Sol and Chavez Mena, Zamora flatly denied signing "such a thing" and noted that he "would have to read the document to be able to give an opinion on it." He said further that "there are many plans that are being discussed to end the war," but insisted that "I have not signed anything."

For his part, former Foreign Minister Chavez Mena declined to comment on the plan.

According to the document that was leaked to newsmen, Arena, the PDC, and the CD intend to take their proposal to UN Secretary General Javier Perez de Cuellar, who for one year has been serving as mediator in the negotiations between the government of Alfredo Cristiani and the FMLN, a process which appears to be bogged down on the topic of "demilitarization."

The thesis of the simultaneous disarmament of the Army and the guerrillas, as is demanded by the FMLN, is not supported by the three parties, which in its place proposes "the reconversion" of the Armed Forces through a gradual internal purge.

According to the document, the process of reconverting the military would be in the hands of a commission made up "of five notables of Salvadoran nationality" who will be assessed on their tasks by "three military members of renowned democratic background."

Furthermore, the plan contemplates the elimination of the National Intelligence Directorate in the three months following the implementation of the cease-fire, which, according to the same document, must become effective when the FMLN abandons the armed struggle and turns over its weapons.

However, the personnel who belong to this directorate "may be reintegrated into the new organization following a rigorous evaluation of their aptitude, capabilities, and background in human rights issues."

Likewise, the tripartite proposal establishes that the "rapid deployment" battalions or Salvadoran Army elite forces will be dismantled and their members discharged or reassigned to other military units.

Regarding troop reduction, the plan states that the defense minister, "who may be a civilian," will consider the Army's size "in accordance with the new democracy and peace framework, in three stages: the end of the armed clashes, the FMLN's demobilization, and last, a society in peace."

The concurrent dismantling of the paramilitary groups and that of the current public security corps has also been proposed, thus paving the way for the creation of a new civilian police force "totally separate from the Armed Forces."

Finally, to eradicate impunity from Salvadoran society, the proposal suggests the creation of a "special commission to explain the facts."

Defense Minister Warns of New Rebel Offensive

PA1203232691 Panama City ACAN in Spanish 2115 GMT 12 Mar 91

[Text] San Salvador, 12 Mar (ACAN-EFE)—General Rene Emilio Ponce, Salvadoran defense minister, said today that the results of the Sunday elections represent a "political weakening" of the guerrillas. He warned that the rebels might launch an offensive in the next few days.

During a news conference with foreign correspondents, Ponce said that, according to military reports, the Farabundo Marti National Liberation Front [FMLN] has mobilized guerrillas in various parts of the country and could be preparing a new offensive to be unleashed "perhaps between 12 and 15 March."

Ponce said that, nevertheless, the negotiations with rebels will continue and he added that the government will not "take a position of advantage" in the meetings being held under the UN mediation.

"Men and equipment have been observed approaching several objectives," Ponce said. He mentioned the Guazapa volcano area near the capital, the northern parts of San Miguel and Morazan Departments, and Cerro El Tigre in Usulutan, in the country's east.

The FMLN threatened to resume armed actions after the Sunday elections were won by the ruling rightist party Nationalist Republican Alliance [Arena].

New clashes between the Army and the rebels over the past few days resulted in at least 15 casualties.

Commenting on the elections, Ponce said that the Legislative Assembly seats that the leftists won in the elections will not affect the talks because they "are following their own momentum."

Arena won the Sunday elections, but the leftist parties, grouped under the Democratic Convergence, received more votes than in 1989.

Ponce said: "The results of these elections have weakened the FMLN's image abroad. The support it still enjoys should begin to diminish, although we will not apply any pressure in this regard."

Ponce said that the assembly is not directly influencing the peace process because the negotiations are "a decision of the executive branch."

Nevertheless, he said that the fact that leftist parties now have representatives at the assembly is "a breakthrough no one can deny." According to him "this leaves the FMLN's armed activities without justification."

Regarding the cease-fire, the minister said it could be achieved after reaching political agreements on different topics, as established in the agenda signed by the government and the rebels in Caracas in May 1990.

General Ponce commented on the guerrilla's activities over the last few months. He attributed them "to the existing differences" within the FMLN's rank and file and said "they only block and delay the negotiations."

He added that for the rebels, each offensive has meant "many casualties and a high political cost," and he advised them to "evaluate the costs and benefits properly."

Defense Minister Ponce said that the military aid from the United States is necessary because the rebels now have "better and more sophisticated weapons."

He also pointed out that the use of surface-to-air missiles by the FMLN during the offensive launched in late 1990 "escalated and deepened the war" and admitted that the rebels still possess those kinds of weapons.

Rebels Down Helicopter; 3 Crew Members Killed

PA1303005491 Panama City ACAN in Spanish 2347 GMT 12 Mar 91

[Text] San Salvador, 12 Mar (ACAN-EFE)—A military source has reported that three crew members were killed in the eastern San Miguel Department today when Salvadoran guerrillas downed a Salvadoran Air Force helicopter using a surface-to-air missile.

An Army spokesman told ACAN-EFE that the helicopter was providing support to the 3d Infantry's "Ponce" counterinsurgency battalion, following operations at Concepcion Corozal Canton in northern San Miguel Department.

The attack took place a few hours after the guerrillas ended a truce they had decreed to allow voter mobilization for the 10 March elections.

The spokesman said that the "UH-1M" helicopter exploded in mid-air when struck by a missile, immediately killing pilots Gilberto Eduardo Garcia Romero and Alberto Guzman, and gunner Santos Flores Hernandez.

"This action shows the guerrillas' lack of resolve to attain a negotiated peace," the source said, after explaining that a special Armed Forces unit began investigating what type of missile downed the helicopter.

The guerrillas have large amounts of "Redeye" missiles that were purchased from the former Nicaraguan "contras." The guerrillas had handed over 18 "SAM-7" and "SAM-14" missiles to the Nicaraguan Government on 3 February.

Salvadoran Defense Minister General Rene Ponce said today that the Farabundo Marti National Liberation Front is preparing an offensive, "perhaps between 12 and 15 March."

FMLN Leader Criticizes U.S. Aid to Military

AU1203113391 Berlin NEUES DEUTSCHLAND in German 8 Mar 91 p 11

[Interview with Shafik Jorge Handal, "one of the leaders of the Farabundo Marti National Liberation Front (FMLN)," by Uwe Sheffler "during his recent stay in Germany": "After the Gulf War, Again U.S. Weapons for the Army"]

[Text] [Scheffler] On 10 March parliamentary and local elections will be held in El Salvador. What are the chances of the democratic forces?

[Handal] There are quite clear indications that the democratic opposition in the country might gain the majority. The military commanders, who in reality rule El Salvador, are afraid of such a development. Therefore, they have started a new wave of reprisals in the country. Only recently was a family of 15 persons killed near San Salvador; the government even threatened the Lutheran Church. It accused it of being an instrument of the FMLN.

These are no democratic, clean, and just elections; they are elections in a country where there is war. The issue is, however, a big political battle, the balance in favor of democracy, peace, and social justice.

[Scheffler] The dialogue between the government and the guerillas was again adjourned without any results. Why?

[Handal] Important results were achieved in January during the preparatory meetings for this round. Therefore, we believed that no treaties could be signed; but suddenly we noticed that the government retreated. It rescinded the approach toward our positions achieved in January. This is an effect of the Gulf war. The military commanders in El Salvador believe that the United States, proceeding from a position of strength, will now again interfere in our country with economic aid and with weapons. Indeed: In January the U.S. Administration gave San Salvador more combat planes and helicopters. At that time, Bush announced that in 60 days—about mid-March—half of the "aid" promised for 1991, which Congress had frozen, can be handed over....

[Scheffler] Assuming that the opposition really wins the elections or the guerilleras really win at some time in the future—how does the FMLN imagine the future El Salvador?

[Handal] Last year the FMLN published a platform. One central issue in this document—as also in the talks with the government—is the demand for a demilitarization of social life. In our view, the establishment of a democratic society is on the agenda, a society in which civilian forces exercise the hegemony. What will be the prospects then? This will be decided by the people of El Salvador themselves. In any case, it will be a pluralistic society, with a government that is supported by several parties.

[Scheffler] Are the developments in Nicaragua not a deterrent for the FMLN?

[Handal] No, no, this is not the case. Of course, we cannot applaud the developments in Nicaragua, but the revolution in Nicaragua is not yet over. What happened in Nicaragua need not automatically happen in our country. The Sandinists admit that their own mistakes are also to blame for the current situation. The support of the Salvadoran people for the struggle of the FMLN has really increased—and that despite all the changes in the world. This is not propaganda—one need only look at what happened in 1990. The FMLN is not weakened—neither politically nor militarily. It has stronger political relations than ever toward the inside and the outside. We are very optimistic.

Honduras

10,000 Protest Government's Economic Package

PA1303040191 Hamburg DPA in Spanish 0257 GMT 13 Mar 91

[Text] Tegucigalpa, 12 Mar (DPA)—About 10,000 people marched this afternoon through the streets of Tegucigalpa in the first large demonstration to protest the economic adjustment "package" approved by the government today.

The demonstrators were responding to a call from the national coordinating committee of the Platform for the Struggle to Democratize Honduras, which comprises the country's union, peasant, professional, and student sectors.

There was strong criticism of the government during the march, which was held to demand that President Callejas repeal the decree on readjusting the economy, Decree 18-90, which the National Congress approved and which the demonstrators called a "prescription" from the international financial organizations.

After the demonstration ended in downtown Tegucigalpa, Orlando Iriarte, president of the Platform for the Struggle to Democratize Honduras, said that the present regime has driven most of the population to misery, but the poor are affected the most.

The demonstrators demanded a decrease in food prices and increase in wages. The private sectors, the government, and the workers have been discussing a 100-percent increase in workers' minimum wage.

A security cordon was placed around the presidential palace and the national congress, but the march ended without incident.

Nicaragua

Reportage Covering Labor Unrest, Strikes

Lacayo Surveys Issues

PA1303004191 Managua BARRICADA in Spanish 12 Mar 91 p 5

[Text] Presidency Minister Antonio Lacayo announced yesterday that a representative from the World Bank would arrive on 19 March to assess the progress achieved with the economic adjustment plan, the investment projects, and the financial institutions' disbursement plans for 1992.

The official met with the media one week after the economic measures were announced. He said: "It is evident that the devaluations have ended, and obviously, there has been improvement for the first time."

Meanwhile, the Federation of Hotel, Restaurant, and Related Workers announced a strike at the most important hotels, a measure that would affect the San Jose meeting, which is to be held in Managua on 13-20 March.

"A strike is one thing. It is perfectly legal," Lacayo said when commenting on the actions announced by the National Workers Front (FNT).

He insisted that the Constitution of the Republic does not allow a violation of the rights of those who wish to work, or the closure of work places where taxes are paid. "The government has no problem with the hotel people. However, a strike is not a takeover," he emphasized. He said that precautionary measures have been adopted at the Augusto Cesar Sandino International Airport to prevent the takeover of those "vital" installations, because this would affect the international traffic.

Also, Labor Minister Francisco Rosales has said that if public buildings are taken over, the Government Ministry will use force to evict whoever does this, even though Lacayo said: "Reason and dialogue, rather than sticks and sanctions, should prevail" in this situation.

Lacayo said that the strikes by the health and custom workers are "leftovers" from the hyperinflation process, rather than a result of the adjustment plan, which—he said—is fully supported by the people.

However, he said that he still does not know anything about the communique from the FNT, which initially called for a salary increase multiplied by seven and has now settled for four and half, using the gasoline factor as reference.

Lacayo said that prices have begun to decrease, and they will continue to do so.

Referring to the situation in the health sector, in which Mrs. Aminta Mendez Chinchilla's life [nurse currently on a hunger strike] is at stake, the minister said she "cannot die for a demand to which the government has already replied." Lacayo added that labor stability has been guaranteed, and that the salary increase in the health and education sectors has been adjusted 3.5 percent, compared with 2.6 for the rest of the state workers. Asked if this means that the possibility of negotiating has ended, he answered: "We talk to the health workers every day. Health Minister Doctor Salmeron meets them on a daily basis. The labor minister is available. We are all available, even me."

The media tried to contact Minister Salmeron and at 1730, someone in his office said that it was impossible because he was at the daily cabinet meeting.

Later in the news conference Lacayo commented on the speculation about the agriculture minister and the president of the national livestock commission, meaning the operation to import zebu bulls from Costa Rica, according to a BARRICADA report.

Lacayo said that they must answer for this because, if they did it, it was done on a personal basis. "The government had absolutely nothing to do with this."

Nevertheless, he did not rule out the possibility that when a new comptroller general is appointed he will investigate cases like the one reported by BARRICADA.

Referring to an alleged ministerial plan against the FNT leaders, Minister Lacayo denied such a thing, calling it an "an aberration."

He insisted that both the president and her cabinet members are Catholics and profound believers. "We believe in God. We believe that He gives us life and only He can take it away. We are a government born out of the need to stop the war and death. We have strived to achieve reconciliation and peace. We are even criticized by some of the people in the National Opposition Union alliance because we seek a reconciliation."

He said that there was no alleged plan to kill labor leaders, but added that if FNT leader Lucio Jimenez felt afraid, "we will talk with the president and immediately contact the government minister so that he can arrange the necessary bodyguards for Lucio and anyone else who feels threatened. This way they will be fully and absolutely sure that they have the same right to seek, as other Nicaraguans, the protection of the police and the authorities."

Building Takeovers Denounced

PA1303004391 Managua LA PRENSA in Spanish 11 Mar 91 pp 1, 12

[Text] Clarifying the right to strike and the takeover of installations, Labor Minister Francisco Rosales said this morning: "The takeover of buildings violates the rights of those who want to work, because the freedom to work is as much a constitutional right as the right to strike."

The minister pointed out that the two concepts have been mixed up. Referring to the recent cases in Nicaragua in which the workers, in addition to striking, locked the buildings from the inside not admitting anyone who disagrees with them, Rosales said: "Nowhere else in the world do people strike and take over buildings at the same time."

The minister stressed that no one can stand in the way of someone else's right to work. He recalled that Government Minister Carlos Hurtado has announced that no illegal takeovers of buildings will be permitted from now on.

In addition, regarding the recent salary demands, Rosales said that salaries cannot be established in relation to the U.S. dollar because the Monetary Law of 1945 stipulates that the legal tender is the cordoba.

Rosales also reported that the salaries of all government workers, including the strikers, have been paid. On Saturday, striking customs workers were booed by the public and truck drivers while standing in line to get their paychecks.

Policemen Establish Labor Group

PA1303043491 Managua BARRICADA in Spanish 11 Mar 91 pp 1, 5

[Text] High-ranking Government Ministry [Mingo] officials ordered officers and policemen to confine themselves to their homes to prevent them from attending a meeting yesterday at the CST [Sandinist Workers Federation] headquarters. They held the meeting to organize themselves and to demand respect for their rights.

Mingo Lieutenant Santiago Rodriguez said that "they warned us to stay home" to prevent them from attending the meeting, during which the soldiers established an organization to draft a plan that will fight for higher salaries and other benefits.

The soldiers charged that Mingo is planning to fire 1,248 policemen in early April, replacing them with former members of the resistance who laid down their arms.

The military code calls for the punishment of soldiers who rebel or declare themselves on strike.

Despite the pressure applied by order of the "top leadership," a group of active and retired officers yesterday established the National Provisional Commission [Comision Nacional Provisional] to promote the growth of the organization that will "struggle for our rights as citizens and state workers," a policeman who refused to give his name said.

Lt. Rodriguez, who works at the Faustino Ruiz building, said that he is worried about any punishment that may result from his statements. However, he pointed out that his superiors are aware of his position, which he has publicly voiced over the media.

A Mingo policeman earns a monthly salary of 200 gold cordobas and may not earn overtime pay or extra pay for working evening hours when assigned to guard an installation or patrol the streets in search of criminals.

"We risk our lives in the struggle against criminals and are still poorly paid," said an officer of one of the capital's police stations who attended the meeting yesterday despite a "notice" urging him not to leave home.

According to a charge that BARRICADA has not been able to confirm, Mingo spokesman Frank Cesar is reportedly serving as the "personnel and cadres man" in the process to fire the 1,248 policemen and "recruit" former contras.

One of the sources said that Government Minister Carlos Hurtado has ordered that those who will be fired must be paid up to the end of March, and that they should be replaced with former resistance members who laid down their arms and enjoy the support of Commander Franklin.

Mingo Spokesman Frank Cesar holds Mingo job application forms, especially those for the anti-riot troops.

A lieutenant who wished to remain anonymous said that he was virtually forced into being discharged because he refused to transfer to the anti-riot troops, which are in charge of repressing the workers.

FNT: Leaders in Danger

PA1203143091 Managua Radio Sandino in Spanish 1203 GMT 12 Mar 91

[Text] National Workers Front (FNT) Executive Secretary Lilly Soto and other leaders of that organization said yesterday during a news conference held at the FNT headquarters that government officials met a few days ago to outline a plan to destroy the FNT by kidnapping or killing its leaders.

Soto did not expand on her accusations, saying that she could not give any further details for security reasons in order to protect all FNT leaders. She added that the FNT National Executive Board will file a writ of amparo before the Appeals Court in Region Three, as their lives are in danger.

Yesterday Presidency Minister Antonio Lacayo denied the existence of such plan, adding that FNT leaders can request police protection.

Government Holding Firm

PA1203143591 Managua Radio Sandino in Spanish 1236 GMT 12 Mar 91

[Text] Thus far, the government has maintained its position of not yielding to the demands for higher wages made by the National Workers Front [FNT] after the 3 March devaluation. Presidency Minister Antonio Lacayo said yesterday that the government had already guaranteed the labor stability demanded by the FNT. He added that he hoped the FNT will support the economic adjustment plan.

Concerning the possibility of wage increases, Lacayo clearly stated: There are none. The health and education workers will receive wage increases of up to 350 percent. Meanwhile, the increase in prices amount to over 500 percent in some cases.

The devaluation of the gold cordoba, better known as the little piggy [el chancherito] was 400 percent. The devaluation entailed the loss of 80 percent of the purchasing power of the Nicaraguan currency. Economic indicators show that, during Chamorro's tenure in office, wages have lost 42 percent of their purchasing power. The government says that the prices will go down and that everything will change and will be better in the weeks to come. However, many workers have said that this will be impossible.

Developments Viewed

PA1203153091

[Editorial Report] Managua Radio Sandino in Spanish at 1200 GMT on 12 March broadcasts three reports lasting two minutes each on the ongoing strikes in the country.

In the first report, Jose Adan Rivera, leader of the Farm Workers Association, is quoted as saying that "8,000 cotton industry workers and 6,000 sugar workers who are employed at the German Pomares, Victoria de Julio, Benjamin Zeledon, and San Antonio Sugar Mills, are on strike and farm workers are demanding 13 gold cordobas and 50 centavos per day to buy 80 percent of the 20 basic staples that comprised the family basket."

Rivera is also quoted as saying that 30,000 workers, who work permanently in the coffee industry, are jobless because of a lack of financing; this will harm the next agricultural cycle and the country's economic future.

The second report states that "national university student leaders confirmed that they will march today toward the presidency to support the health workers and to demand an increase in the university budget." It adds that professors and students at Managua universities yesterday began a debate on the critical situation facing the higher education system.

The report states that "university students are currently not planning to strike to demand a readjustment of the university budget. Only the medical students have been on an indefinite strike since last week to show their support for health workers."

The third report says that "during a news conference yesterday National Workers Front (FNT) leaders said that more than 45,000 workers from state institutions and enterprises are on strike to demand salary increases, job security, and financing for production centers."

This report adds that Jose Angel Bermudez, UNE (National Union of Employees) secretary general and member of the FNT Executive Commission, said that the call for a "sit-down strike has been supported by UNE workers in Regions One, Two, Three, and Six," workers from the slaughterhouses, as well those of other enterprises. He adds that "workers of the Inter-Continental Hotel; teachers of Esteli, Jinotepe, Juigalpa, Santa Teresa, and Cuidad Sandino;" and others are also joining the strike.

Strike Effects Viewed

PA1103162691 Managua Radio Sandino in Spanish 1200 GMT 11 Mar 91

[Text] The Chamorro administration today fulfilled its promise not to devalue the national currency—that is, the chanchero and the chancherito, which are the popular names for the old cordoba and cordoba of Panchito [nickname for Francisco, reference to former Central Bank President Francisco Mayorga, and gold cordoba]. The five-to-one parity is holding up one week later. The black market has not been able to break the stability brought about by the government's financial policies.

A week after the devaluation, which stripped the currency of 80 percent of its purchasing power and readjustment salaries partially, the country is still suffering the consequences of the measures adopted by the government.

A strike by hospital workers entered its seventh week. Customs workers continue to apply pressure, although police continue occupying several offices in Managua's General Customs Directorate.

The country's trade with Central America is very restricted. The import and export of merchandise is affected by the customs workers strike, who are demanding higher salaries. Meat exports have stopped, and several slaughterhouses suspended their activity in the past few days.

The FNT's [National Workers Front] Lucio Jimenez said that the strike could grow. University professors are dissatisfied with their salaries and announced that they will strike. It was also announced that classes will not be taught in Leon at the national university, and that this morning the medical school students will hold an assembly to determine their position on the crisis.

The country could be gradually paralyzed should UNE [National Union of Employees] implement the staggered strikes which it announced last week. For its part, the government is firmly holding on to its position of not increasing the workers' salaries, because it does not wish to affect its economic adjustment plan.

Strikers Occupy Energy Institute

PA1203213491 Managua Domestic Service in Spanish 1826 GMT 12 Mar 91

[Text] The strikes promoted by the National Workers Front (FNT) were stepped up today with the takeover of the main building of the Nicaraguan Institute of Energy [INE].

Several workers from the government institution called this radio station to report that the takeover of the INE was done by the leadership of a labor union affiliated with the FNT.

The other 1,300 workers and employees disagree with this clearly illegal action, but the small group of strikers cut off the power from the offices to force the rest of the personnel not to work.

It was reported that a police officer talked to the leaders of the strike and apparently accepted their arguments because he left without forcing them to reconnect the power service.

This is another one of the countless violations of the freedom of other workers who do not accept the violent struggle imposed by the Sandinist Marxists.

Chamorro Meets With Commission for Democracy

PA0903044191 Managua Sistema Nacional de Television Network in Spanish 0200 GMT 8 Mar 91

[Passages within quotation marks are recorded]

[Text] President Violeta Chamorro met today with the Commission for Nicaraguan Democracy [Comision Para La Democracia Nicaraguence]. Rosemary Perez reports that the commission's objective is to study and analyze the democratic process one year after the elections.

[Perez] Members of the commission are, among other dignitaries: former U.S. President James Carter; Peruvian author Mario Vargas Llosa; and James Wright, former speaker of the U.S. House of Representatives. President Chamorro said that this is a newborn republic whose doors are open to those who wish to make contributions to freedom and democracy.

[Chamorro] "My ideal is a participative democracy and dialogue; but in the presence of such knowledgeable persons as those gathered here, I am a pupil ready to listen and learn.

"Welcome, once again. As president I thank you for the contribution you are about to make."

[Perez] Presidency Minister Lacayo listed the government's achievements after one year in office, and affirmed that reconciliation is irreversible.

[Lacayo] "The reconciliation that has been introduced in this country is changing the country's social structure; I have no doubt that democracy in Nicaragua is an irreversible process."

[Perez] Cardinal Miguel Obando Bravo said that democracy demands the conscious participation of the people, who must aspire to receive a civic education so as to fulfill their role as responsible citizens.

[Obando Bravo] "The majority must respect the opinions of others. The opposition, for its part, must be constructive. It should not harass an enemy or obstruct the implementation of a policy; rather, it should oversee the actions of the ruling majority with serenity and justice, and propose other legitimate solutions."

[Perez] The commission's objective is to support Nicaragua's democratization efforts and to offer constructive help in other fields.

The commission will gather information on its work and make recommendations on how the democratic process may be established in the future.

Commission To Investigate Enrique Bermudez' Death

PA1203191691 Managua Domestic Service in Spanish 0128 GMT 12 Mar 91

["Text" of Presidential Agreement No. 90-91 issued in Managua on 11 March; signed by President Violeta Chamorro; read by Ernesto Garcia Canales—live]

[Text] Presidential Agreement No. 90-91

The President of the Republic of Nicaragua:

Whereas

1. The senseless crime perpetrated against Enrique Bermudez Varela on 18 February has deeply shaken the national and international community.

2. The president of the Republic, Mrs. Violeta Barrios de Chamorro, is firmly determined—as she has stated on several occasions—to exhaust all the possible means to solve the crime and thus bring peace and confidence to the Nicaraguan people.

3. The in-depth investigation being carried out through the National Police by the Government Ministry requires the support and suggestions of qualified persons, who will be able to confirm the procedures followed in the investigation and who will also make the necessary recommendations to the president of the Republic.

Therefore, exercising her authority, the president decrees:

Article 1. A special investigation commission will be created to participate in the investigations carried out through the National Police by the Government Ministry in connection with Engineer Enrique Bermudez Varela's assassination.

Article 2. The special investigation commission will be comprised of the following persons: Doctor Felipe Sanchez Sanchez, personal representative of His Eminence Cardinal Miguel Obando y Bravo, who will act as chairman; Doctor Eduardo Rivas Gasteazoro; Doctor Julio Ruiz Quezada; Doctor Orlando Buitrago Mendez; and Doctor Luis Clay, a.k.a. Commander Johnson.

Article 3. The commission's main task will be to participate in the investigations, confirm their effectiveness, make the necessary suggestions, and present a report or

final recommendation on its actions and conclusions to the president of the Republic.

Article 4. The commission members will meet when its chairman considers it necessary. The decisions will be adopted by consensus without too many formalities.

Article 5. Officials of the Government Ministry, National Police, and other state agencies are obligated to provide all the necessary cooperation demanded by the commission members to attain the specified goals.

Article 6. It must be understood that the commission's functions are intended to support the investigation. They must not obstruct or hinder the National Police's activities within the investigation.

Article 7. This commission is of a provisional nature, so it must be understood that its functions will end when it presents its final report or recommendation to the president of the Republic.

Article 8. The agreement will become effective upon its publication through any media, without affecting its subsequent publication in the official newspaper.

Issued at the presidential house in Managua on 11 March 1991.

[signed] Violeta Barrios de Chamorro, President of the Republic of Nicaragua.

Humberto Ortega's Bodyguards Deny Killing Youth

PA1003004891 Panama City ACAN in Spanish 1509 GMT 9 Mar 91

[Text] Managua, 9 Mar (ACAN-EFE)—Eight of the bodyguards of General Humberto Ortega, commander of the Sandinist People's Army [EPS], today denied that they murdered a young man on 28 October, as has been published in LA PRENSA. LA PRENSA is the newspaper owned by President Violeta Chamorro.

Ortega's bodyguards appeared, individually, before a special commission of the National Assembly that is investigating the "bizarre" death of Jean Paul Genie, which took place in October, as he was traveling by car along a southeastern road.

The chief of the bodyguards, Roberto Chacon, said that the caravan guarding General Humberto Ortega arrived at his home, several kilometers from the crime, at 0000 GMT. Later the bodyguards spent their time involved in "recreational activities."

After the alleged crime, LA PRENSA elaborated on a theory that the bodyguards of a high-ranking EPS officer took shots at young Genie when he "unwisely" tried to pass a caravan of cars in which Ortega allegedly was traveling.

At that time, LA PRENSA systematically published reports that those who shot at the unfortunate young man were traveling in a black Jeep Renegade, which, according to the newspaper, is owned only by Gen. Ortega and his brother Former President Daniel Ortega.

Gen. Ortega flatly denied the accusations that appeared in LA PRENSA and that were carried over radio stations sympathetic to President Chamorro's government and said that the media wanted to use the crime as "political propaganda" against him.

The EPS commander's bodyguards stated to the deputies that, at the time, the bodyguards were traveling in two white Toyota Cressidas and one Jeep Renegade.

According to the bodyguards, on that occasion, Ortega was traveling in a white Toyota Cressida.

Meanwhile the police have no leads to go on to clear up this mysterious crime, which has moved public opinion in this small Central American nation of just over 3 million inhabitants.

Official Document Predicts Increased Unemployment

PA0903032491 Managua BARRICADA in Spanish 5 Mar 91 pp 1, 12

[Text] According to an official document of restricted circulation that was released yesterday, approximately 60,000 more workers will be laid off because of the drastic economic measures taken by the government on 4 March. The document predicts dismissals because of the economic adjustments as well as assistance programs for 20,000 additional laid off workers in Managua.

"The number of laid off workers will rise because of the dismissals that will be provoked by a reduction in demand as a result of the economic stabilization measures to be implemented in March 1991," the government admits in the document.

Confronted by Lucio Jimenez, leader of the National Workers Front [FNT], through Radio Ya yesterday, Minister of the Presidency Antonio Lacayo said that this is an official governmental document drafted by Deputy Minister Antonio Ibarra to request external cooperation. "This is why the darkest possible picture is portrayed in the document," Lacayo said.

BARRICADA yesterday made an appointment with Ibarra to discuss the document. However, the meeting could not take place because the official failed to show up at his office.

Euphemistically described as "global sub-utilization," the document sets the rate of unemployment that existed prior to March at 46 percent and points out that 540,000 people have been affected. The document discloses a program for the unemployed, another program for the development of a "micro fund"—for popular emergency credits—and another for high risk settlers. These programs are directed primarily at sectors of the population that "will experience changes in their employment, income, and social benefits, as a consequence of the economic crisis which the country is suffering from and

which will be temporarily worsened by measures to stabilize the economy...," the official document states.

Nevertheless, some of the programs, such as the professional training program, will shelter individuals who become jobless before March.

In their initial phases, the programs will deal with 20,000 jobless individuals who for three months will receive $25 food bonds that are calculated to represent 30 percent of their minimum kilocaloric intake. These newly unemployed individuals will receive 88 bus tokens per month—calculated at four per work day—for three months, so that they are able to move around to look for jobs. Thirteen thousand of these jobless people will have access to a six-month occupational training program, and throughout this period they will receive the equivalent of $25 monthly.

"The food bond and transportation program," the document states, "will be directed at 20,000 people over age 16 who lost their jobs in production, public, and private companies; who are affected by the macroeconomic stabilization measures; who are not covered by any other emergency program, and who do not receive any pension whatsoever."

The official document also establishes the programs' primary beneficiaries. First are the "workers who lose their jobs as of 1 March 1991, up to a total of 13,000 within a three-month period; they will be kept on a training program for six months during the program's "test pilot" phase." Second are the "workers who lost their jobs in 1991, up to a total of 7,000 or until the 13,000 mentioned (in the previous point) are completed."

With this program, the government will hypothetically lessen "the deterioration of the nutrition level of families with members who are laid off," and "facilitate the mobilization of workers seeking new jobs and income alternatives."

The program has many variables; one of them involves minimum facilities for the unemployed to take the initiative in finding jobs. It includes an occupational test for the employee, surveys of companies, food bonds, and transportation tokens for three months. These "facilities" will be granted only to the 7,000 jobless individuals who at the beginning of the program are already registered at the Labor Ministry.

Other options include assistantships or occupational recycling, which is applicable only to individuals who have lost their jobs in the economy's formal sector due to the unfair economic package announced on 3 March.

This option is the same as the previous one, but carries an additional $25 scholarship or its equivalent in cordobas monthly for six months of occupational training while the individual works as a trainee at a company participating in the program.

Companies participating in the program will receive from the government a $10 monthly tax credit for each scholarship holder they take on. The training period will not involve any labor-management relationship nor implementation of the labor code. There are also scholarships for training outside of companies, at professional training centers such as Cadin [Nicaraguan Chamber of Industries], Inatec [expansion unknown], or Sinacap [expansion unknown].

Once the pilot phase concludes, if additional resources have been procured, the government program will also cover individuals who have been laid off since October 1990, focusing particicularly on women who are heads of households. According to the government document, "the program will cover workers laid off from companies in Managua's urban area.

In the second phase alone, up to 60,000 jobless individuals will be involved in the program nationwide, 40,000 of whom will be from the urban area. Twenty thousand jobless people will receive attention in Managua; 5,000 in Leon; 4,500 in Chinandega; 3,000 in Granada; 2,500 in Matagalpa; 2,000 in Masaya; and 1,000 each from Esteli, Jinotega, and Rivas Departments. In the rural areas, the plan will cover 8,400 demobilized settlers: 1,600 from the North Atlantic and 10,000 from the rest of the country.

Vice President Godoy To Support Economic Plan

PA0803143291 Managua Radio Catolica in Spanish 1130 GMT 6 Mar 91

[Excerpts] Vice President Virgilio Godoy has expressed doubts regarding the possibilities for success of the economic stabilization plan, also known as the Lacayo plan. The plan has been initially implemented with a drastic devaluation of the gold cordoba, which was devalued 500 percent in relation to the U.S. dollar.

Vice President Godoy said that although adjustment measures are necessary, there have been mistakes in implementing them. Godoy also stressed the need for a development plan, without which the economic stabilization plan will not benefit the people.

[Begin Godoy recording] I must say that Nicaragua has urgently needed—since last year, practically since the current government assumed power—the implementation of measures to correct the vices and economic distortions the country has faced. The government took 10 months to announce those measures, but finally they are here.

I have been listening with great interest to all the explanations given, and I find that some aspects of the plan are definitely inevitable. There was no other choice. There are also measures that clearly follow IMF guidelines, even though it is denied. Evidently, although the IMF is not imposing measures, it has inspired them, particularly those related to budget cuts, credit restrictions, and the devaluation of the national currency in relation to the dollar. Those are the main points in the new government economic plan.

Although I have not studied the official measures in detail, I personally feel that the plan creates some doubts in some of its aspects. First of all, in regard to the rigid foreign exchange rates, both for the old cordoba—as we could call it in relation to the gold cordoba, although that's not important as it will disappear in two months—and particularly the rigid foreign exchange rates for the gold cordoba in relation to the dollar. Perhaps under the current circumstances, it would have been better to have a floating rate, as has been done in other countries having the same problems we have. [passage omitted]

Furthermore, I am reasonably concerned because in case the plan is totally successful, as the government has predicted—and I hope that it will be—and in two months it can be announced that Nicaragua is no longer affected by hyperinflation, but instead is facing a normal inflation process such as the one currently existing in Costa Rica, Colombia, or in many European countries, which can be economically handled, then what happens? What will be the next step? What are our plans? Will we wait until that time to begin thinking about the procedures, programs, plans and proposals to be implemented from then on, let's say from May on? I believe that is one of the plan's weaknesses.

However, as I said at the beginning, some decisions had to be made and the government has finally acted after 10 months of hesitation.

In reality, this economic stabilization plan and the structural adjustment measures remind us of the economic policy implemented by the previous government. In any event, it obviously includes very drastic and radical economic measures. The situation has been compared to a patient who no longer could be cured by medicines, but required urgent surgery, and major surgery, not just minor surgery.

We will see. I believe that a prudent attitude would be to at least support the plan in principle and see if the government is capable of implementing it. If in one month or 15 days new coyotes reappear and begin purchasing dollars at five and half or six gold cordobas, that would mean that the plan could be in jeopardy. That would require quick adjustments to keep it going. [passage omitted] [end recording]

Some political observers believe that the Sandinists and a sector of the government will resume their campaign against Vice President Godoy. The new campaign against Godoy is based on the possibility that top members of the current government could resign their posts if the Lacayo plan fails. The Sandinists and a segment of the government in the alliance would try to prevent Godoy from assuming government responsibilities.

The powerful minister of the presidency, Antonio Lacayo, said on 1 March that if the economic plan fails, he would leave the government. However, on 3 March he said that if his plan fails, the entire government would go. His statement has put Sandinist leaders in motion.

The accusations against Ortega, Lacayo, and Cesar in regard to Colonel Bermudez' murder could be a stratagem to accuse the vice president and disqualify him from eventually assuming presidential duties.

COSEP on Economic Plan, Production Sector

PA0803151091 Managua Sistema Nacional de Television Network in Spanish 0330 GMT 6 Mar 91

[Text] The first 48 hours that followed the government's announcement of its economic plan have been characterized by uncertainty and expectation about how enterprises will react to this announcement.

The Higher Council of Private Enterprise [COSEP], which has spoken favorably of the plan, has said, however, that unless the production sector is given specific support, the measures included in the plan will be insufficient.

COSEP supports the program, but believes that it will be insufficient unless there is total backing for the production sector and for the physical security of the producers and their properties.

[Begin recording of COSEP President Gilberto Cuadra] The measures cannot be just economic. Production is needed to fight inflation. Changes in the currency exchange rate parity will not resolve the country's problem, but they are necessary and beneficial. Other steps could have been taken also, but this is a first step. However, it is not enough. We need to complement this step with the measures we have mentioned, not demanded, let that be on the record. However, any sensible government that wants the first steps to be valid and sensible must take additional steps. [end recording]

New, 'Broad' Socialist Association Announced

PA1203195891 Managua Radio Sandino in Spanish 1327 GMT 10 Mar 91

[Text][Announcer] Here is Mauricio Lacayo, member of the committee in charge of organizing the Nicaraguan Association of Friends of Socialism and Peace [Asociacion Nicaraguense de Amigos del Socialismo y de la Paz], who has a few things to say regarding the organization.

[Lacayo] We wanted to take advantage of this opportunity to say that a group of comrades, who uphold the Marxist-Leninist ideology and who continue to believe that socialism is in force in the world, has united as an organizing committee to create the Nicaraguan Association of Friends of Socialism and Peace. This committee is drafting the statutes and a declaration of principles for the association. We want the association to be a broad organization that can allow for all progressive, democratic, and revolutionary people to work together for the development of socialist ideas and world peace. To achieve this, we believe we have to break away from party differences. This association is not a party. It is a broad organization. We have invited and have held talks

with people from different parties—those from the revolutionary left and those from different social sectors—and we believe the idea is gaining acceptance. We are going to present ourselves before the National Assembly and ask them to grant us our legal status. However, we are going to make it clear that we are going to exist with or without a legal status.

[Announcer] Thank you Mauricio for visiting us at the Radio Sandino studios.

FSLN Issues Communique on 'National Problems'

PA0903173791 Managua BARRICADA in Spanish 7 Mar 91 p 9

[Communique issued by the National Directorate of the Sandinist National Liberation Front, FSLN, in Managua on 6 March: "FSLN Position on National Problems"]

[Text] The fatherland is experiencing a crisis which demands clear solutions to unite all the people in the search for the stability that will strengthen the development of Nicaraguan society.

The FSLN, which united the people in its struggle against the Somozist dictatorship until it was toppled; the FSLN, which defended national interests and the right won by the people to exercise full democracy for the first time in history; the FSLN, which waged a battle for justice at international forums and organizations and gained a well-deserved place for Nicaragua; the FSLN, which promoted the peace plans of Contadora, Esquipulas, and Sapoa that established firm foundations for the disarmament of contra forces which in turn ended the war; the FSLN, which took U.S. rulers before the highest international court of justice to seek an end to their forceful policy against Nicaragua and the payment of compensation to the nation for the damage done. [sentence as published]

The FSLN, which promoted and respected popular vote in the elections of 1984 and February 1990; the FSLN, which participated in the Rome and Paris conferences to obtain resources for the people, is today duty bound and has a historical responsibility to clearly voice its opinion on the grave situation facing the country, in an attempt to unite the people as one voice in defense of national interests.

Therefore, it states that:

1. The 26 October 1990 concerted agreements recognized the need to gradually curb hyperinflation and created the necessary political conditions to implement an adjustment program supported by greater consensus and lower costs for the people. The government continued, however, to apply economic policies that deepened hyperinflation and further deteriorated the economic and social situation;

2. All stabilization programs have costs. All governments are obliged, however, to guarantee that such costs are equitably distributed among the various segments of the population by simultaneously applying measures to protect the most vulnerable segments of the population in order to alleviate the negative repercussions of the program;

3. The need to stop hyperinflation cannot be imposed at the expense of a recession so profound as to provoke the collapse of the country's productive apparatus leaving thousands of families without the ability to survive. The government, which is solely responsible for the measures it applies, is also responsible for the consequences they may have on the people's lives;

4. The hyperinflation experienced by our country in recent times must be contained to make possible a revival of the national economy. The FSLN is aware that adjustment measures are needed to achieve a gradual stabilization of the economy. This will only be possible, however, if the people's needs are met at the same time;

5. The economic stabilization plan announced by the government contains elements that are not in keeping with the special situation experienced by our country and break the principle of gradualism established in the concerted agreement. The FSLN National Directorate advised the government in due time that this heavily burdens large segments of the population and produces instability;

6. The drastic devaluation of the currency provokes an exaggerated, recessive impact on the national economy which runs counter to the principle of gradualism agreed upon in the concerted agreements. Thousands of industrial, commercial, and agricultural enteprises, especially the smallest ones on which thousands of families depend, have been decapitalized overnight and have no chance of recovering in the shortrun. This situation will bring about the general bankruptcy and mass closure of enterprises, shops, and small businesses and the serious consequences that this entails;

7. The impact of the measures announced by the government will increase unemployment levels in the various economic sectors. Facing that reality, the compensatory actions announced by the government obviously are insufficient to counter this dramatic situation. The destabilization of those Nicaraguan families threatens the nation's stability;

8. Workers should not carry most of the burden of stopping the economy's dollarization and countering hyperinflation. The workers' purchasing power had seriously deteriorated prior to the implementation of the stabilization plan. The government has said that this is not the time to make improvements, but to prevent further deterioration. Therefore, it is unacceptable to permit a further deterioration of the workers' purchasing power. The wage increase approved for the public sector, which will serve as reference for salary adjustments in the rest of the economic sectors, does not prevent that deterioration;

9. The nominal increase of salaries does not represent a real increase. Worse yet, it means that many workers who did not have to pay income taxes now will have to pay, and others will have to pay more taxes than they really should. The government has not corrected the income tax scales, and therefore workers will endure new and unjust wage and salary deductions.

To this we must add the excessive municipal taxes on workshops and business establishments, and the system of fiscal withholdings on enterprises, which contributes to their decapitalization and aggravates the unemployment problem.

10. Large sectors of the Nicaraguan population are not part of the formal economy, having no stable income or possibility of obtaining it. Children, victims of war, war wounded, mothers of people who died in the war, retired workers, single mothers, elderly people, chronically ill people, among others, are the most vulnerable groups. They were already in an dire situation, and the impact of the adjustment plan will leave many of them without any alternative for subsisting. The impact will also leave them in a desperate condition. The measures announced by the government do not contemplate any action to help these brothers.

Special measures in that regard must be adopted for the Autonomous Atlantic Regions, where the socioeconomic crisis is felt with more intensity, and where underprivileged sectors are more pronounced than in the rest of the country.

11. Despite the stabilization measures, there are other factors that are provoking instability and anxiety among large parts of the population. The uncertainty about rural properties, the violence used by extremist groups against peasant cooperatives without the government trying to stop it, the threats of dislodging families who benefitted from the revolution with lots and houses, the revengefulness of some government officials, the continuous noncompliance of agreements signed with the government and the ambiguity and contradictions in the government policy are also causes of instability.

12. The government has said that it has obtained considerable foreign financial assistance to carry out the plan. The FSLN demands that those funds be used with efficiency and honesty to truly alleviate the serious social effects that the plan will have on broad grass-roots sectors, particularly on the poorest. The contrary will promote destabilization.

Due to the seriousness of the situation, the government threatens to use force against workers who in various forms already have been protesting the deterioration in their standard of living.

Consequently, the FSLN demands:

A. That in response to the devaluation's recessive impact, the government immediately implement a special credit program for small industrial, commercial, and farming businesses, and grant credit and tax facilities to all of these companies to resolve the current lack of liquidity that could push many of them into bankruptcy, thereby increasing unemployment;

B. That the government promote effective measures to avoid massive unemployment and foster public investment programs to create new options for stable employment. Special efforts should be made to protect women's jobs, which have been disproportionately affec ed by the crisis and the dismissals;

C. That in response to the rise in prices, the government must guarantee the restoration of the workers' buying power to its current levels immediately before implementing the adjustments;

D. The establishment of a minimum wage based on a percentage of the 53-product basic staple list, in accordance with the stipulations of the concerted effort agreement of 26 October;

E. That the the IR [income tax] scale be modified and the tax rates and tax collection system be reviewed, in light of the new conditions created by the stabilization program; also that interest rates for banking credits be revised;

F. The urgent implementation of aid, including food and essential medicine supply programs, for the most helpless sectors of the population; and a special program to support the Atlantic coast;

G. That the university budget not be reduced, and the people's constitutional right to education guaranteed.

13. In addition to the aforementioned actions, we are demanding that the government:

A. Reinstall the concerted effort forum with all of the sectors to directly discuss with them the consequences of the program and the measures that must be implemented to soften their impact;

B. Immediately and fairly resolve the strikes and labor conflicts that are currently under way, ceasing its employment of the public force and appealing to dialogue and negotiation;

C. Control violence against the peasants, and restore the cooperatives and state farming companies that have been attacked by extremist groups, to their legitimate owners;

D. Truly guarantee the various types of property that are outlined in the Constitution;

E. Promptly and very clearly establish the procedures for privatizing state-owned companies and guaranteeing the workers' participation in their ownership. This right must be respected even in cases where properties are restored;

F. Stop the evictions from land parcels and housing, something which is threatening thousands of families

who benefited from the revolution; give them land deeds free of cost, and protect tenants from excessive rents;

G. Dismiss officials engaging in vendettas and fully comply with the agreements signed by the government;

H. Immediately strengthen the state bank as the fundamental instrument for economic development and distribution of income;

I. Fully respect the autonomous rights of the Atlantic regions and their authorities.

14. We are at a critical stage. The government must act with the responsibility and sensibility that the circumstances and the suffering of the people require. National stability and the program's chances of success depend on it.

We are calling on merchants and producers to set reasonable prices for their goods and services; on unions and businessmen to join efforts to defend jobs and fair wages; on public sector employees to coordinate their struggle with the necessities of the rest of the population; on peasants to unite to defend their lands and credit to cultivate them; on residents of neighborhoods to unite to defend their housing and land parcels.

The FSLN is calling on the people to strengthen unity around their organizations and legitimate leaders to defend in a calm and strong manner their fundamental rights. The FSLN is summoning all Nicaraguans to increase their social solidarity at this time of crisis to find a just and national solution to our problems.

Issued in Managua on 6 Mar 1991.

Free fatherland or death.

FSLN National Directorate

Panama

Linares on New Consul to Cuba, Improving Relations

PA1303025891 Panama City Circuito RPC Television 2332 GMT 12 Mar 91

[Text] Speaking to foreign correspondents, Foreign Minister Julio Linares said today that Panama wants to improve its relations with Cuba, Mexico, Peru, and other countries. Linares said that, to this end, Panama is relying on the support of the Colombian Foreign Ministry, which is negotiating with the Group of Rio.

Linares announced that Panama has designated Elba de Diaz consul to Cuba. She will fly to Havana in a few days to try to eliminate disagreements that resulted from the U.S. invasion of Panama, the expulsion of Cuban diplomats from Panama, and the crisis caused by Panamanian refugees who sought asylum in the Cuban Embassy.

Assembly Said Considering Endara 'Impeachment'

PA1303044791 Panama City EL DIARIO INDEPENDIENTE in Spanish 12 Mar 91 pp 1, 22

[Article by Luis Vejarano: "The President's Impeachment Is Being Prepared"]

[Text] In an exclusive statement to this paper, Raul Ossa, president of the Commission of Credentials, Internal Justice, and Regulations in the Legislative Assembly, said that the suits filed by Rafael Medina and Gonzalo Moncada Luna against President Guillermo Endara Galimany are being considered. Ossa stated that both suits accuse the president of undermining national territory and sovereignty by requesting the U.S. Army's intervention in the incidents taking place on 5 December of last year. Regarding this delicate topic, Legislator Ossa said he has an opinion on the matter and will announce it at the proper time. He believes that his colleagues will too, because they have had ample time to consider it.

Ossa said that the persons who filed the suits have been closely following what is being done and have even resorted to measures of pressure.

Ossa concluded that during the recess it was not possible to discuss the matter because it is a judicial matter that requires a definitive decision. He added that those who filed the suits were given a courtesy visit to the Assembly today so that they could substantiate their charges.

Endara Says Project Implementation Top Priority

PA0803162891 Panama City EL DIARIO INDEPENDIENTE in Spanish 6 Mar 91 p 23

[Letter from Panamanian President Guillermo Endara Galimany to the ministers of state and directors of autonomous entities in Panama City, dated 5 March]

[Text] 5 March, 1991
Messrs. Ministers of State and Directors of Autonomous Entities
Dear Sirs:

I have received from the second vice president and minister of planning and economic policy the note No. DM-N-148, dated 1 March, 1991. Given the importance of the note's contents, I will reproduce it in its entirety.

"I want to take this opportunity to reiterate my deep concern over the slowness with which the different state institutions are implementing the investments budget. This is causing justified dismay in the community.

"As you know, in the month of June of 1990, the Cabinet Council authorized an extraordinary credit totalling 9.2100 million balboas. In August of the same year, the Cabinet Council authorized another extraordinary credit totalling 52.8000 million balboas. Both credits were approved by the budget commission of the Honorable Legislative Assembly. The funds earmarked to carry out numerous public works originated, in the first case, from

budget savings. The second extraordinary credit came from part of a donation by the Government of the United States of America.

"Until today, very few works have been implemented from these funds.

"In the 1991 General Budget of the Nation, we included the amount of 325 million balboas earmarked for public investments. These funds are available for the execution of the respective works.

"We hear just complaints that, although unemployment has been reduced from 31 percent to 18 percent, this figure is still very high. Therefore, the government is forced to bolster the national economy. This will help reduce the unemployment rate and give job opportunities to the Panamanians, without increasing the state's payroll.

"Given the aforementioned reasons, with all due respect, I request that you establish the procedures that will lead to the execution of the works in a faster manner. In the case of Colon Province, where there are more than 4 million balboas available for projects that are not being used, this delay is inexplicable to the members of the community, who urgently need the work.

"Your government team worked hard during 1990, trying to get funds and authorizing investments, however, it is unfortunate that this effort is frustrated by the lack of action. The communities are waiting for the execution of these projects and it is our obligation to carry them out.

"Mr. President, I think that the time to eliminate obstacles has come. I think that government officials should not make the mistake of justifying the inaction we are experiencing. We should proceed to carry out vigorous and immediate action to implement the general budget of the nation.

"I am aware of your concern over this topic, so I suggest that you order public officials to proceed and implement the projects, as per the guidelines set forth by you.

"The economic recovery cannot rely on the business and labor sectors alone. These sector have given their best efforts in the task of rebuilding the country. It is the simultaneous action of the government and the private sectors that will produce the results that you want."

I fully agree with the concern expressed by the second vice president. The works and projects of the government are an important contribution to the reactivation of the economy and in helping to resolve the unemployment problem. This is a very urgent subject and it should be the number one priority for each minister and each director of an autonomous entity. It is inexcusable that, despite having funds available, we do not give our best every day, and night, to vigorously set the engines of the government action in motion.

Upon speaking before the Legislative Assembly in front of all ministers five months ago, I said that the time to act had come. I said that it was time to show government action, because we could not longer use the lack of funds as an excuse for inaction or slowness. Six months later, I regret having to reiterate my request and remind you, once again, of the commitment that we have made to the Panamanian people.

I will be most grateful if you could expedite the necessary steps and keep me informed on the progress made. There is no time to waste or efforts to be avoided.

I take this opportunity to reiterate my highest appreciation to each of you.

Sincerely,
Guillermo Endara Galimany
President of the Republic

Attorney General Cruz Denies Plans To Resign

PA0803223891 Panama City Circuito RPC Television in Spanish 1730 GMT 8 Mar 91

[Text] Attorney General Rogelio Cruz has said that the pressure exerted by several groups in the country will not force him to resign.

[Begin recording] [Cruz] I said what I had to say at the Legislative Assembly. I appeared before the honorable legislators for eight long hours. I believe we answered all the questions that they wanted to ask us.

[Unidentified reporter] Mr. Cruz, how does it feel to be the most questioned official in this government? How does Attorney General Cruz feel about this? What can you tell us about the fact that your actions are questioned so much?

[Cruz] I believe that several of us are being questioned. The problem is that I have assumed my responsibilities, and I invite others to assume their share of the responsibility in administrating justice. [end recording]

Attorney General Cruz also referred to the pressure exerted by several groups in the country that are demanding his resignation.

[Begin recording] [Cruz] Pressure is being exerted—of all kinds and varying degrees—and I think that I would be deceiving myself to think otherwise, taking into consideration the situation that prevails in the country and my position.

[Reporter] Pressure from whom, Mr. Attorney General?

[Second unidentified reporter] People say that you have told half-truths and that this casts doubt on the administration of justice.

[Cruz] I have told my truth at the Legislative Assembly. They were duly recorded in the minutes.

[Reporter] What groups are exerting pressure, Mr. Attorney General?

[Cruz] Many groups.

[Reporter] For instance?

[Cruz] Let us drop the subject.

[Reporter] But....

[Second reporter, interrupting] Mr. Attorney General, have you thought about quitting the attorney general's office, given this wave of criticism and requests?

[Cruz] I have not only thought about it, I have specifically said that I will not resign—and I hope that you never ask me that again, because I do not think that there is any need to answer. [end recording]

Argentina

Vice President Denies Running for Governor

PY1103223991 Buenos Aires BUENOS AIRES HERALD in English 11 Mar 91 p 7

[Text] (NA)—Vice President Eduardo Duhalde yesterday once again ruled out the possibility of running for the Buenos Aires gubernatorial candidacy and defended the implementation of both the combined primary election (lemas laws) and open primary systems.

Duhalde denied the national government would suffer a serious blow if the Peronists lost some provinces in the September 8 gubernatorial elections.

He also announced that the Justicialist Party's Federal League faction would be meeting this week or next to debate the possibility of modifying the electoral system through combined primaries or other alternatives.

Flatly denying his candidacy for governor, Duhalde said "there are half a dozen candidates who are being overlooked amid speculation over whether Duhalde will enter the race."

In statements to Radio Continental, Duhalde said he would not enter the electoral fray because "in times of crisis the Vice-President must support the President of the nation without hesitation." But he anticipated that he would replace Buenos Aires governor Antonio Cafiero as provincial Justicialist Party chairman.

Meanwhile, LA NACION newspaper ratified an interview in which President Carlos Menem said Duhalde was the "official" Peronist candidate for Buenos Aires. The President claimed his statements were misinterpreted.

* Domingo Cavallo's Biography, Close Friends

91SM0210A Buenos Aires SOMOS in Spanish 4 Feb 91 pp 4-7

[Report by Jorge Grecco, Cledis Candalaressi, and Monica Albirzu]

[Text] San Francisco's streets were flooded once again. The complaints of residents contrasted with the unexpected excitement of a group of children.

They all watched the water run by from the protection of the high sidewalks in this Cordoba town. When "Mingo" (that chubby boy with the intelligent face) showed up with a wooden canoe, the adults began to understand.

He placed the makeshift vessel (he had made it himself, using the machines in his father's broom factory) very carefully in the water. In spite of the initial fuss over it, none of the children was game enough to get in.

"Mingo" was not intimidated. First he put one foot in, then tested his balance, and finally settled in. Being overweight played a dirty trick on him, however, and all too soon he and his cherished canoe were adrift on the strong current. He wound up soaked.

The residents of San Francisco all say that they recall the incident. It is like Vicente De la Mata's famous goal: as the years go by, there are more and more eyewitnesses.

"Mingo" (Domingo Felipe Cavallo) is the minister of economy today and a inexhaustible source of pride for the people of San Francisco in Cordoba Province. Their feelings go far back, of course, when Cavallo began to demonstrate that his intellect deserved attention.

Brilliant Student

He was born on Sunday, 21 July 1946, in what was then a thriving city in western Cordoba, 200 kilometers from the provincial capital. The son of Florencia (now 69, a native of Piedmont) and Felipe (75, from San Francisco), he had one sister, Cristina, a 41-year old mathematics teacher, and one brother, Jorge, 42, who runs a "gestoria" [agency that transacts business with government departments, insurance companies, etc.] in Buenos Aires.

At age 16 he finished secondary school at the state-run San Martin Commercial School and left for the city of Cordoba to study economics. By 20 he had his degree.

"He was always a brilliant student, even though he studied little," recalled his mother in an extensive chat with SOMOS.

Another trait that most remember is his predilection for creating things, like the canoe. The list includes a roulette wheel, a film projector (he made it with tracing paper and a magnifying glass that the local optician gave him), several puppets....

"He is very cheerful, very communicative. He gets along with everyone and is the same as when he was little: restless and hardworking. I always used to hold him back because he had a lot of projects going," explained his mother Florencia.

His library as a teenager combined technical texts with humanistic works. A few days ago his sister Cristina discovered three titles that were no doubt among his favorites: "The European Common Market," "Rules for a Good Marriage Engagement," and "Don Bosco Gave Us Purity."

On 20 April 1968 he married Sonia Isabel Abrasian (45, a Cordoba native, and an accountant). "I will never forget that, because I was working as an accountant, and that day the profits tax expired..." Cavallo often says in a dubious, joking homage to romanticism.

"I Am a Family Man"

Sonia was the only girlfriend that the minister introduced to his mother. Three children round out the Cavallo family: Maria (17), Eduardo (15, born in the United States), and Alberto (14). As is only fitting, Maria

is her daddy's favorite, and making him even prouder, she has announced that when she finishes secondary school, she will head for the Economics Department.

"I am very much a family man because I am a Cancer," explains Cavallo. In his 1991 horoscope, Horangel says that for people of that sign this "will be a gratifying and effective astral year. Cancer will encounter fewer snags in moving forward in business, investment, and projects. April will still hold annoyances and losses. A stroke of luck in mid-May. Major income in late June. Then, as of 10 September, begins a period of increasing well-being. Few risks and an encouraging future."

His Tastes

As for personal tastes, Cavallo is straightforward:

- "I like music...Depending on the moment, I prefer classical. Other times, more cheerful rhythms. Actually, I am no connoisseur, but I find it pleasant."
- "I am not interested in sports. I have devoted very little time to athletic activities. Only in summertime, some nautical sports on San Roque Lake. When I was very young, I devoted myself a great deal to studying and neglected other activities such as athletics."
- "I like theater and the movies as distractions, but I do not go often. As for television, I watch the news. I find out about the other programs from the kids."

As he himself admits, and besides it is obvious, studying is the major part of Cavallo's life. He never took course exams in secondary school. After his time at the University of Cordoba, he received his doctorate in economics from Harvard. At 22 he was undersecretary of development of Cordoba Province. At 24 he was executive vice president of the provincial bank. In 1973 and 1974 he was a full-time professor at Cordoba University. "I had been accepted at Chicago to study under Milton Friedman, but I abandoned the idea when I got a scholarship to Harvard. Three professors there were Nobel prize winners," the minister explains. Cavallo's thesis at Harvard was entitled "Stagflationary Effects of Monetarist Stabilization Policies." He worked for ten years with Israeli professor Yair Mundlack, and together they conducted a research project that won the annual prize of the American Association of Agricultural and Livestock Studies. Its main topic is still current: how Argentina would have grown if it had maintained an open economy.

Academic circles regard Cavallo as a great analyst with an enormous capacity for work and great boldness. He got this reputation after pushing the post-Malvinas financial reform.

Many of these accomplishments should also be chalked up to the Mediterranean Foundation (see box). "This is an institution made up of a group of Argentine businesses that felt it was important to promote economic research, initially in Cordoba. Later, businessmen from all over the country joined in. I would say that this is the same sort of pioneering effort that the Di Tella family undertook," Cavallo elaborates.

What He Always Dreamed of

During his time at Harvard the economy minister became friends with his Mexican counterpart today, Pedro Aspe. When the Swift scandal broke, Cavallo was on the shores of Cancun on a personal invitation from the Mexican official.

Not everything has been roses, of course, on Cavallo's path. Ever since he was on the slate of Cordoba national-deputy candidates as a nonparty nominee, he has been harshly criticized both inside and outside Peronism for his role under the military government of Roberto Eduardo Viola.

From banking he leaped over to the Foreign Ministry when Carlos Menem carried off the presidency. Whereas everyone considered him a candidate for economy minister, the man from La Rioja surprised them all by appointing him to a ministry that turned out to be decisive as time passed.

A resolute proponent of total alignment with the United States, Cavallo was criticized for not respecting "Peronist policy" in this area. First it was the former deputy minister, Archibaldo Lanus; Menem sided with Cavallo. After this episode few were game enough to accuse him publicly. For example, Argentina's ambassador to the UN, Jorge Vazquez, has been known to call Cavallo "that chubby guy in the candy business," referring to the Arcor company, the main sponsor of the Mediterranean Foundation. He has never uttered the description outside of corridors.

"I last spoke with him on Sunday, and he was not even thinking about the change (of ministries) because he said nothing to me," Cavallo's mother openly admits.

[Box, p 5]

The Cavallo Style

They say that the best praise comes from one's adversaries. "Cavallo is without doubt an intelligent, determined man, and above all a relentless doer," a banker who still remembers the anxiety that the new minister caused the industry in July 1982 and around New Year's Day of 1990, confided to SOMOS.

Unlike previous occupants of the Economy Ministry, the former foreign minister is no sniper. For almost 20 years he has been putting together a team of professionals who work harmoniously together. "To tell the truth," one economist related, "the 'fat man' is a brilliant strategist and does not need others of his stature. What he does need are men to carry out what he thinks up."

Perhaps because he himself is an outstanding analyst and tireless worker, the president was eventually won over by Cavallo's ability and will wind up being reflected in the influence that the new minister will have in the new

cabinet, an influence gained through books and action rather than political intrigue.

[Box, p 5]

The Minister's Friends

The friends that Domingo Felipe Cavallo had as a teenager have followed a similar path, and several are accountants: Valerio Ame and Carlos Cravero (both live in San Francisco) and Luis Murina, who was with him when he was foreign minister. As the years have gone by, the minister has cultivated other friendships:

- Felipe Murolo, a Cavallo man in the Central Bank
- Carlos Sanchez, the minister's replacement in the Mediterranean Foundation
- Aldo Dadone, a specialist in fiscal policy
- Carlos Givogri, a specialist in state-run companies
- Jose Castro Garayzabal, secretary of the Mediterranean Foundation
- Yair Mundlack, an Israeli; they worked together for ten years
- Juan Zapata, a Cavallo man in the Foreign Ministry
- Fulvio Pagani, owner of Arcor, the main sponsor of the foundation
- Pedro Astori, owner of the Astori group, a charter sponsor of the foundation

[Box, p 6]

The Mediterranean Foundation

In the late 1960's the Cordoba Industrial Union put forth the idea of creating a research institute devoted to economic and social issues. At its head it placed a brilliant young man who had just graduated from college: Domingo Cavallo. Unfortunately for them, however, he was soon off to Harvard. They were so certain that he was the right man that when they decided to change the character of the institute and make it one which did not depend on the local business federation, they waited more than year for Cavallo to return. The today famous Mediterranean Foundation was thus born on 6 July 1977. Headed by Pedro Astori, an executive with Estructuras Astori and Palmar, and later by the recently deceased Fulvio Pagani (Arcor), the foundation had 30 charter members. Each put in $6,000 and pledged a monthly contribution of $500. Back then, that was more than enough to cover the salaries of the five main researchers and their assistants. The economists who were called on were Domingo Cavallo, Carlos Givogri, Humberto Petrei, Aldo Dadone, and Francisco Arnaudo.

With Cavallo as technical secretary of the Interior Ministry in Liendo's day, the foundation came to public light and gained a reputation through its presidency of the Central (a short but unforgettable term of office for regulars in the City [Argentine equivalent of "Wall Street"]). Offers were soon coming in from businessmen in the interior who wanted to join the foundation. It was during this period that the affiliates that devoted themselves to the regional economies were set up. Cuyo (headquarters in Mendoza and San Juan), Comahue (in Cipoletti), Northwest (in Salta), Northeast (in Posadas and Corrientes), and the Coast (in Rosario) receive periodic visits from chief Mediterranean researchers. They take advantage of the opportunity to give lectures there. The foundation has thus developed the fine image that it enjoys overseas.

The foundation's "federalist" character distinguishes it from similar organizations. On the one hand, this is said to assure the foundation a smooth interchange of personnel with the business groups that sponsor it, and on the other it forces it to address specific issues that are of interest to them.

At present the foundation has 45 researchers and as many assistants. The annual budget for 1990 was some $450,000, covered by the 400 direct members (many of them are institutions that comprise several companies). It has been run by Carlos Sanchez ever since Cavallo went into government.

The foundation's studies are published in a monthly journal, NOVEDADES ECONOMICAS; a more technical publication, ESTUDIOS; a weekly newsletter that is sent abroad, and another monthly edition of PROGRAMA DE ASISTENCIA LEGISLATIVA (PAL), which was thought of as an aid for congressmen and government officials.

In short, this is an institution that has made a noteworthy mark and has an undisputed leader.

[Box, p 7]

His Writings

Domingo Cavallo's curriculum vitae includes four books that the minister wrote between 1984 and 1990. *Volver a crecer* [Resuming Growth], *El desafio federal* [The Federal Challenge], *Economia en tiempos de crisis* [Economy in Times of Crisis], and *La Argentina que no fue* [The Argentina That Never Was] are the titles of the works that were put out by Sudamericana and Planeta publishers.

Moreover, Cavallo is the author of numerous technical articles for journals in Argentina and abroad. His pen has also been employed by the newspaper LA NACION, CLARIN, AMBITO FINANCIERO, and EL CRONISTA COMERCIAL, among others. His "journalistic talent" prompted him to run the Mediterranean Foundation's magazine ESTUDIOS and to sit on the editorial committee of RESEARCH OBSERVER, which the World Bank finances.

Bolivia

Congressional Deputy Said Beaten by Military

PY1203175991 Madrid EFE in Spanish 0109 GMT 12 Mar 91

[Text] La Paz, 11 Mar (EFE)—The Bolivian Chamber of Deputies today unanimously approved a resolution which protests over the physical aggression against ruling party Deputy Luis Vazquez who was detained by members of the Military Police on 9 March. Meanwhile in Potosi, President Jaime Paz Zamora minimized the importance of the incident.

"In Bolivia we tend to be bold and make quick judgments but we need to investigate what really happened," Paz Zamora told EFE during the inauguration of a school breakfast program in this city, 574 km south of La Paz.

The deputy from the ruling Movement of the Revolutionary Left (MIR) was beaten in the street and detained by the Military Police at Government House when he allegedly ignored an order to stop.

"I did not hear the order to stop. A Military Police agent pulled me violently out of my car after I had parked outside the Legislative Palace. He and five other agents beat me while I tried to resist," Vazquez said during a radio interview this morning.

Vazquez' arrival to participate in an electoral commission meeting at Murillo Square coincided with the change of guards at the doors of Government House. The traffic is momentarily stopped during the change of guard.

The Military Police did not heed Vazquez' identification and took him by force inside Government House where he was detained on orders of the officer in command.

Other electoral commission deputies protested the arrogance and lack of respect shown by the aide-de-camp and the guard commander toward Vazquez's legislative prerogatives.

Paz Zamora announced that an investigation would be held and said: "I do not believe that this is a case of military arrogance because I am the Armed Forces captain general and when you talk about military arrogance you are talking about me. According to the Constitution I am the Army commander in chief."

"There must be a congressional investigation. I will investigate this matter because we are talking about the presidential escort," the president added when demanding more respect for the military institution.

"Our Armed Forces are some of the best in the continent regarding democracy. Let us not forget this and respect it more," Paz Zamora added after praising the Armed Forces sacrifice and discipline in the quest for the consolidation of democracy.

Paz Zamora said: "The press has exaggerated the incident too much because that whole affair is not as important as they are making it." Deputies, meanwhile, are considering summoning the defense minister to explain "this shameful incident."

Vazquez said that the doctor has recommended him to stay in bed for 12 days to recover from the 9 March aggression.

Alleged Attack Denied

PY1203224391 La Paz Radio Fides in Spanish 1100 GMT 12 Mar 91

[Excerpts] Comments, denials, and a debate at Congress is the result of an attack perpetrated against Deputy Luis Vazquez Villamor by two Army officers and the Military Police assigned to the Government Palace under the command of Lieutenant (Jose Terrazas). [passage omitted]

According to a report released by Presidential Battalion Commander Colonel Juan Hurtado, neither the Military Police personnel nor the Army officers who were on duty at the Government Palace beat Deputy Luis Vasquez Villamor. Hurtado said that the Armed Forces have already changed their attitude and criticized the attitude of the deputies and senators.

[Begin Hurtado recording] I can tell you that we military men are not idiots and we are fully aware and astonished to see these congressmen (?violate) the laws that they themselves have approved. They say [words indistinct] must be obeyed. Everybody should obey the law. A guard should not be attacked, should not be pushed. Every citizen, including the president of the Republic, should respect the guards. This deputy, however, beat him on his helmet. We are annoyed because it was a Bolivian authority that broke the law. What is worse is that he claims to have sustained 20 bruises and says that he had to be admitted at a hospital. Nobody touched him. People who witnessed the incident can confirm that. [end recording] [passage omitted]

Brazil

Collor Meets With Visiting Romanian Premier

PY1303035091 Brasilia Domestic Service in Portuguese 2200 GMT 12 Mar 91

[Text] Brazil and Romania want to increase their cultural, technical, and trade relations. President Fernando Collor received Romanian Prime Minister Petre Roman at Planalto Palace today. This is the first visit by the chief of an Eastern European government since the 1989 changes. They talked about increasing cultural, technical, and trade relations between the two countries.

In the commercial sector, trade between Brazil and Romania was halved over the past few years. From $100 million in 1985, it dropped to only $46 million in 1990.

Brazil exported iron ore and agricultural products totaling $43 million and imported railroad products, electric transformers, and chemical lubricants worth less than $3 million from Romania.

Prime Minister Petre Roman told President Collor that contrary to what is thought in Latin America, investments by Western countries in Eastern Europe have been very small so far. He explained that the reason for this is that there has not yet been sufficient time to create a set of rules to calm foreign investors.

Foreign Minister Francisco Rezek, who participated in the meeting between Collor and Roman, said that as for Brazil, the Romanian Government does not expect investments, but an increase in trade, especially the sale of railroad equipment to Brazil.

[Begin Rezek recording] This cooperation with Romania is very important. It is a country that has developed a technology that is noticed by Eastern Europe. It has developed techniques for building railways, railroad stations, extremely high quality train engines, wagons, etc. [end recording]

Tonight the Romanian prime minister will be honored at Itamaraty with a dinner hosted by President Collor. Tomorrow the two presidents will sign cultural, technical, and scientific cooperation agreements at the Foreign Ministry.

Collor, Lacalle Meet at Border, Sign Declaration

PY1203205191 Brasilia Domestic Service in Portuguese 2200 GMT 11 Mar 91

[Excerpts] President Fernando Collor and his Uruguayan counterpart Luis Alberto Lacalle today met at the Brazilian-Uruguayan border to evaluate the development of the bilateral integration process. Some five hours of meetings between the two presidents began in the Brazilian town of Quarai and ended during the afternoon in the Uruguayan town of Artigas. Collor and Lacalle examined the text of the Asuncion Treaty, which establishes the terms for the creation of a Southern Cone common market that will comprise Argentina, Brazil, Paraguay, and Uruguay. The treaty will be signed by the presidents of the four countries on 26 March, during a meeting to be held in Asuncion, Paraguay. [passage omitted]

Lacalle and Collor signed a joint declaration in which they emphasize the need to increase technological and scientific cooperation between Brazil and Uruguay. They also decided to create a border committee to develop the region. This was Collor and Lacalle's fourth meeting since becoming presidents, but it was their first official meeting. The two presidents commented on the current state of trade between Brazil and Uruguay and discussed ways of developing exchanges between the two countries in accordance with the legal norms that will go into force following the signing of the Asuncion Treaty on 26 March.

In Quarai, President Collor called for accord among all politicians beyond any party disagreement. He said that he is pursuing this accord, which is one of his goals, in the interest of the country. [passage omitted]

In Collor's opinion, only through this accord will the country be able to overcome the obstacles it has being facing and build an adequate society for all Brazilians. [passage omitted]

Border With Colombia Reinforced Following Raids

PY1203210791 Madrid EFE in Spanish 2102 GMT 11 Mar 91

[Excerpt] Tabatinga (Brazil), 11 Mar (EFE)—Official sources reported today that the Amazonia Military Command (CMA) has been reinforced along the banks of the Traira River on the Colombian border. This move seeks to prevent further attacks by armed groups like the ones that have occurred over the past few weeks.

The reinforcements include a gunboat on which helicopters can land, four helicopters, a reconnaissance airplane, two patrol boats, protective screening, watch towers, and 74 additional men.

The CMA decided to reinforce the area following a meeting with Colombian counterparts last Saturday [9 March], during which it was agreed that the two armies will operate in their respective territories under the orders of a joint command.

General Atenor Santa Cruz, Amazonia Military Command (CMA) commander, has justified the reinforcements on the grounds that the region is unsafe. [passage omitted]

Chile

President Aylwin Reviews 1st Year of Government

PY1303004091 Santiago Radio Chilena Network in Spanish 1531 GMT 11 Mar 91

[News conference by President Patricio Aylwin with foreign and domestic correspondents on the first anniversary of the Aylwin government, with on-the-scene commentary by unidentified Radio Chilena announcer, at La Moneda Palace—live]

[Text] [Aylwin] [Words indistinct] the objectives were defined in the programmatic bases outlined in my speech when I assumed power on 11 March 1990 and in my message to the National Congress on 21 May 1990. We seek the reconciliation of Chileans, the improvement of our democratic institutions, the elimination of poverty to ensure social justice in our land, the economic growth and development of Chile, and the integration of Chile into the world community.

We have directed the government's efforts in the past year toward those five objectives, and I would say that the last objective—the integration of Chile into the

world community—has been fully attained. We did not aim to perform a protagonist or star role on the international stage. We deliberately implemented a low profile foreign policy for the purpose of attaining that objective; namely, that Chile, after being isolated from the community of nations, should recover its role of participation and cooperation with other nations in international organizations and at the bilateral level. I believe that no one who objectively judges the situation can fail to recognize that this has been attained.

We have made progress toward national reconciliation. I do not claim credit for the government on this; I believe the credit belongs to the country and we have all contributed to it—the government, the opposition, civilians, armed institutions, businessmen, and workers. The climate of confrontation in which Chile lived for several years has been replaced by a climate of cooperation. Now, Chileans prefer to seek agreement in order to advance together toward fulfilling the needs of the nation, rather than wasting our efforts in domestic quarrels. There are legitimate disagreements, which is natural in social coexistence, but peace and harmony prevail in the country.

On the social front, we are fighting poverty. Important steps have been taken. In approving the tax reform, greater sacrifices were imposed on those who have more so that social outlays could be increased for the benefit of those who have less. Reforms in labor laws have meant advances on the road toward equitable relations between workers and employers. We are far from overcoming poverty, but the social programs in the areas of education, health, and housing are aimed in that direction. We are advancing.

On the economic front, Chile went through a difficult period in the past year. Transition periods from authoritarian to democratic governments are generally marked with an explosion of social demands and inflationary policies that destabilize the economy. We have, thanks to the maturity shown by the labor sectors and the understanding exhibited by the business sectors, drafted a reference agreement between workers and businessmen that sets the tone of their relations.

We assumed power amid signs that our economy was heating up and there was a risk of uncontrolled inflation. We were, therefore, forced to make an adjustment that, although painful, turned out to be beneficial. We managed to halt inflation, and other economic indicators have been encouraging in recent months. The increase in investments and the performance of other economic indicators, including statements by economic agents, prompts us to expect that this year will be a period of effective growth for our economy.

On the political and institutional front, we can note that the democratic institutions functioned satisfactorily. All the state branches performed their functions within the framework of the Constitution with total independence. The executive and legislative branches cooperated to advance with legal reforms that the country needs. The Armed Forces performed their professional functions within proper boundaries. Chile enjoyed full freedom of expression, association, assembly, and worship—once again becoming used to living in democracy. I believe this assessment should bring satisfaction to everyone. I am not one given to declaring victory; I must admit that we have just begun the task, we have much to do and the time for us to accomplish the objectives we set for our government is short.

I am worried about three main problems. I am worried about poverty. Defeating poverty in Chile is an uphill task that calls for efforts by all of us. There are many fellow citizens who have very hard lives despite the development that has been achieved, despite the increase in minimum salaries and minimum pensions, and despite the payment and rescheduling of debts for housing, potable water, taxes, and electricity. I think the essential challenge we face is the defeat of poverty.

I am also concerned about young people. Most of our population is young, and the young people in the poorest sectors are the ones who suffer the most because that is a stage in life when we dream of a better future. It is a stage of illusions, of great hopes, and our youth—especially the common people—feel frustrated because they have neither an adequate education for earning a living nor prospects for a permanent, challenging job that will meet their legitimate aspirations. All Chileans should be fully aware of this problem. We must make a tremendous effort to train our youth, to open a path for them.

Finally, I am also concerned about the crime rate. This does not mean that these are my only concerns, but the three main concerns. Without a doubt, in our country we have a high rate of robberies, of armed robberies that often result in homicide or serious injuries. There are people who use weapons as toys; it is as if a great irresponsibility exists in this regard.

Crimes are committed for several reasons. Some crimes are committed for economic reasons, other crimes are committed for political reasons. For me, terrorism is a crime. Terrorists are criminals and the entire country should look upon them as such.

This problem may have an explanation; perhaps the best explanations can be found in the two other main concerns I mentioned. One of them is poverty, which is a source of discouragement for young people. Poverty and discouragement probably explain to a great extent why crimes are committed because most of the arrestees are young. Perhaps they engage in violence in order to obtain economic benefits to improve their lifestyles or perhaps in the hope of changing the world through violence. But the experience of Chile and the world shows that violence is not the appropriate path for improving people's economic conditions or changing the order of society or achieving justice. On the contrary,

violence only generates suffering and more violence. It creates a spiral that leads only to greater psychological disasters.

I want to conclude by saying that starting from the realization of these main points, we have satisfactorily fulfilled the first part of the task and we must continue working toward the five goals because we want to have a country that is truly united and reconciled, based on truth and justice. We have taken important steps toward these goals because we want to improve our democratic institutions so Chile will be a country in which all participate, where there is freedom, and where the government complies with the great collective consensus of the people because we want social justice and development.

We understand that we must continue working toward these goals, such as the reinstatement of Chile into the world. We think that this year we must make more efforts to achieve development in an equal manner and to stimulate economic development because we are not going to defeat poverty if this country does not produce anything, if it does not grow. To defeat poverty, however, this economic growth must be based on social justice so we can create more stable, productive, and challenging jobs for Chilean workers and for young people, and so businessmen will have more opportunities for prosperity that will yield the greatest national income and the greatest well-being for all Chileans.

I am at your disposal after this opening statement, which assesses the situation and draws guidelines, for questions you may wish to ask.

[Announcer] That was President Aylwin's opening statement. Now, the journalists will begin the news conference with their first questions because thus far President Aylwin has been addressing the journalists to describe the main tasks being fulfilled by his administration. The Univision reporter, Maria Luisa Martinez, will now ask the first question.

[Martinez] [Question indistinct]?

[Aylwin] Well, I believe Chilean democratic institutions are still imperfect in several aspects. In a democracy, the people truly take an active part in the different sectors of the country's political life. It is evident that in Chile, the municipal administration of the districts is not democratic. To democratize the administrative system of the districts is a requirement and this is why it is so important to reorganize the municipal administrative system. We must also achieve a more democratic regional administration in which the people's participation is more active. It is also obvious that our judicial system does not meet our country's needs. The courts, the lawyers, and those who are linked to the judicial system, as well as most Chileans, are unanimous about the need to reorganize the judicial system. We must consider the changes to be implemented in the Chilean judicial system in order to update and improve it, thus making it more independent. To make our democracy more perfect, we will have to increase the number of situations in which the people can more actively participate in the life of the country. These are the fields in which our democracy can improve.

I also believe that the characteristics of our legislative branch—which is aided by a Congress partially consisting of senator-designates—and of our electoral system—which is a binomial majority system—do not strengthen our democracy. We must therefore improve, as much as possible, our political life in all these aspects. I yearn to obtain a consensus of Chileans on these matters because only thus will we be able to conduct this reorganization in a painless, constructive, and uniform manner.

[Announcer] That was President Aylwin's first answer about the changes to be implemented.

[Unidentified reporter] Mr. President, I was curious about an issue that you explained somewhat this morning. Why did you not celebrate the first anniversary of your administration with the people, as is usually done in this country? Has the government received a report from security organizations about a possible plan to destabilize the government? Might this plan have started with the murder of the military doctor in Rancagua and the release of certain publications abroad? As the people are concerned about these facts—which have created a tense atmosphere in the country—could it be that they are the reason for not celebrating the date as it used to be celebrated?

[Aylwin] About the first part of your question, I believe it is rather childish to noisily and pompously celebrate anniversaries every year. We only celebrate children's birthdays this way. Mature nations do not celebrate the anniversary of the installation of a new administration. Countries celebrate their national day and some national holidays that also warrant being celebrated. I have never seen any European or U.S. government celebrate their installation anniversary every year. This is why I believe this type of celebration should be discouraged. When our term of office ends, I would like to see my fellow countrymen celebrate it and congratulate us if we succeed in fulfilling our duties well.

As for the second part of your question, my administration has had no indication that there is any systematic, organized plan to destabilize the government. Rather, we believe that the acts you have mentioned must be investigated so their origin is disclosed. We cannot prejudge these acts nor can we attribute them to anyone or any group in particular. We have no reason to believe that these facts are endangering our national institutions.

[Federico Quilibran, Radio Chilena] Regarding international relations, your government has some pending issues such as relations with Cuba and Bolivia and fulfillment of the treaty with Peru. What can you tell us about these issues?

[Aylwin] I am not really in a position to make any announcements on those issues.

[Unidentified reporter] As a result of your comments about the judicial branch's lack of moral courage, Senator Jaime Guzman is asking that you retract your comments. What is your reaction to this issue?

[Aylwin] I am not the type of a man who makes statements that can be mistaken. If I dared to say what I did on the matter, it was because I have been painfully convinced of it through the years. This confession is very painful for me because my father was a judge and I have made a living as a lawyer. I was a courtroom lawyer; I was not just involved in checking papers or providing legal advice to companies. I am aware of and I respect the role of the court. I am sorry that proven cases of violations have led me to make a judgment that was not meant to offend anyone, but merely to confirm what I believe is an important fact that must be considered by the entire nation and especially, by the judges themselves.

[Announcer] This is Radio Chilena broadcasting President Aylwin's news conference. Mexican journalist Jorge Vives will ask the next question.

[Vives] Mr. President, in 1973 some government branches announced that institutional stability was at stake. Recently, a government branch made the same statement. Do you see any similarity in these charges, especially taking into account that in 1973 an event (?took place) that, as you yourself just stated, had extremely painful consequences for the country?

[Aylwin] I believe that anyone who experienced what happened in those years and who is still living in Chile today should realize that the conditions prevailing then and today are completely different. There was an atmosphere of confrontation, of daily violence, of hatred among Chileans at that time. Today, as I emphasized in my opening statement, we have an atmosphere of understanding, of seeking agreement, of a desire for peace. Government and opposition sectors deal with each other; we contend with each other, we criticize each other, but we seek agreement and treat each other respectfully.

No government branch can complain that it is, in one way or another, unable to freely exercise its specific duties. In a democratic system, criticism, which represents a right to freely express an opinion, must be tolerated as something normal. Criticism makes those of us who are criticized reflect on what we are doing and explain our attitude, but it does not prevent us from fulfilling our duties. Therefore, I think that the recent charges you just mentioned are, to say the least, an irresponsible attitude.

[Nelson Oteiza, Radio Chilena] Continuing on the subject of the judicial branch, does the rightist sector's attitude toward your comments on this state branch make you fear that they may hinder the judicial branch reform you intend to promote in Congress this year?

[Aylwin] What I strongly desire—and I have told this to the very leaders of the rightist parties during meetings with them and have made it public—is to differentiate between the dispute that may exist with regard to circumstantial actions of the judicial branch or some justices on, especially, the subject of human rights and the basic need to strive to perfect and modernize that state branch, which, I would say, is lame. I repeat, there is a national consensus on this subject. People do not have much faith in justice. Often a person who is the victim of an illegal action, a crime, would much rather put up with it or seek a friendly settlement with his aggressor than go to court, which can be a never-ending procedure. Recent polls on this issue reveal the existence of a consensus. Specialists from the most varied ideologies and political leanings—including outstanding jurists who support, or are militants of, rightist political parties—have pointed out the need for reforms that are quite similar to those proposed by government advisers. The government has drawn up a package of draft bills. We believe that before submitting them to Congress, it would be a good idea to seek agreements with the opposition sectors and try to reach a consensus on the subject, which will allow a reform that will not affect anybody in particular, but rather a reform that will improve the administration of justice and overcome the problems that have plagued and continue to plague our system. On 7 March, some of my advisers and ministers of state and the presidents of the governing and opposition political parties in Congress met here in La Moneda. On this occasion, it was agreed to establish technical-parliamentarian teams that would be in charge of seeking agreements on this issue, allowing us to make progress in that direction. I have confidence in everyone's patriotic spirit and I believe that it is a good thing to differentiate between this subject and the legitimate disagreements we may have with the individual behavior of certain justices in the recent past.

[Announcer] The president has just answered a question from our representative, Nelson Oteiza. We are now going to hear Orlando Gillespie's question for President Patricio Aylwin.

[Gillespie] [Words indistinct] the Rettig commission report on human rights violations.

[Aylwin] I believe one should never doubt the ability of human beings to mend their mistakes and move ahead for improvement. I know many of the judges, court members, to whom you are referring. They take their job seriously, with dedication, self-denial, and a sense of justice in order to adequately fulfill their duties.

[Ricardo Damny, EL MERCURIO] [Words indistinct] European tour. What is the purpose of this tour and what can the country expect [words indistinct]?

[Aylwin] This tour falls within the framework of a general objective aimed at strengthening Chilean relations with the rest of the world as a result of the readmission of Chile into the international community. Chile has traditionally maintained very close political, economic, and cultural links with the European countries, and this relationship was undoubtedly affected in the last few years. My visit will seek, first of all, to strengthen links to overcome the reasons for the alienation of Chile and move ahead in the areas of cultural, economic, and technological cooperation.

I am often asked about specific objectives such as: What did you get when you talked with Bush? What did you get for Chile when you did this or that? One does not visit a friend to get something from him. One visits a friend to strengthen relations and this contact could turn into greater cooperation, into positive results for both parties.

[Jorge Carrasco, NOTIMEX] [Question indistinct]?

[Aylwin] We obviously hope that the trade obstacles between our countries will be gradually overcome. There is no doubt that the possibilities for creating a common market are closely linked to the type of economic policy in each particular country and to the degree of evolution of certain economic criteria. I believe our continent is reviving the ideals of Liberator Simon Boliviar and the full integration of our countries, but we are still very far from reaching this. The experience of more or less ideological plans and of common markets that are created more or less artificially has not produced good results. We hope the time will come when our American continent will have a common market. We are trying to make realistic progress toward that goal through a general, open economic policy for the liberalization of trade and through bilateral agreements that will allow us to strengthen trade between Chile and the other states of the continent.

[Reporter, name indistinct] At the beginning of this news conference you emphasized how important it is for your government to achieve reconciliation of the country. How much has been achieved and what are the main obstacles to full reconciliation? Do you believe last week's difference of opinion between the executive branch and the judiciary could be an obstacle, and how do you view the attitude of the opposition parties in light of this objective?

[Aylwin] I believe I said at the beginning of this news conference that we have made a great deal of progress on this issue. Recent Chilean policy has not been characterized by strong confrontations, violent confrontations, insults among political adversaries, or collective violence. On the contrary, the type of policy that characterized Chile for the last 20 years no longer exists. Naturally, there are controversies concerning the issue you mentioned and many other issues. But these are dealt with in a civilized manner. I believe there is a good spirit on the part of the government and opposition parties and on the part of the workers and their unions and the business sectors. I believe we have made progress and I am optimistic about our chances of continuing to make progress.

I believe one of the most painful, divisive factors that has persisted in Chilean society—I am not saying it has already been eradicated, but it has been attenuated—is the human rights issue. I believe the presentation of the Truth and Reconciliation Commission report was well received by all sectors of the national community—such as the legislative branch, both the Senate and the Chamber of Deputies; the political parties; the churches and other religious organizations with moral authority; the cultural sectors; and social organizations. Therefore, the call I made on 4 March makes me hopeful that this year we will make decisive progress on the path toward full reconciliation.

[Victor de la Fuente, Radio France International] The Truth and Reconciliation Commission's report has also had an impact abroad. The question is whether justice will be done. You reiterated the need for justice and you added: To the extent possible. I would like you to explain what the extent possible is, and whether you believe justice will finally be done or the crimes committed by the dictatorship will remain unpunished.

[Aylwin] I believe I clearly explained my point of view on this issue in my speech on 4 March. I made a call that gave the basis on which progress could be made to achieve the greatest justice possible. Excuse me for not elaborating on this issue because the basis was already explained in that speech.

[Reporter, name indistinct] [Question indistinct]?

[Aylwin] Listen, as I just said, I respect criticism very much and I try to benefit from it. Some criticism stems from the need to pay more attention to a given factor that might have been disregarded. This means some changes must be made. Of the criticism I have received thus far, no one can convince me or make me think about a need to change any of my ministers. I am happy with the performance of all of them, and I will never get tired of saying so. I think this is a government that works as a team. There is criticism that describes what should be done, but which is not in keeping with our government policies. The foreign minister is asked to implement a policy different from that established by the government. The critics want Chile to play the role of a protagonist. They want it to take a leading role in international forums. By taking initiatives, Chile would provoke a great deal of annoyance among people and would probably not end up achieving anything.

From the very beginning, I purposely said that I wanted to give our international policy a moderate profile. This does not mean it is not effective. We were criticized because.... [Aylwin changes thought] Well, how are we profiting from our relations with the United States? We were criticized because what we implemented did not yield the expected results: The Kennedy amendment was

still in effect, restrictions on preferential trade tariffs were still in effect, and nothing was achieved on the grape poisoning case.

Acting quietly, prudently, and effectively, we have achieved our objectives, however. Chile has been reinstated in the Generalized System of Preferences and in the insurance system. The Kennedy Amendment has been lifted. As for the grape poisoning case, the affected farmers have presented, with government support, their complaints to the appropriate U.S. organizations. The government, in a serious manner and through appropriate channels, without turning it into a case to sever relations, presented the country's proposal in defense of Chilean interests. This is our style. No one is going to change my style at this age.

[Unidentified reporter] [Words indistinct] whether the amnesty law is an obstacle to the investigation of human rights violations. I would like to know this: If the supreme court decides not to change its stance on this matter, will the government be willing to support a [word indistinct] regarding the amnesty law?

[Aylwin] I am convinced that the courts will accept the proposals submitted by the government. In these proposals, the government does not plan to sponsor any interpretative law [ley interpretativa] on this case.

[Lino Cuerda, Radio Nuevo Mundo] Mr. President, what gestures do you ask for or what gestures do you expect from the Army, the Navy, the Carabineros, and General Pinochet so that, in compliance with the desire of all Chileans, the human rights issue will be solved once and for all or, at least, so that the often repeated question—including by the church—about the whereabouts of the missing detainees will be answered?

[Aylwin] Well, I clearly said it in my speech delivered on 4 March and I am not going to repeat it. I have already said what type of gesture I expect from the armed institutions on this matter.

[Announcer] Very well. Reporter Juan Roul will ask the last question, the 15th question of this news conference.

[Roul] Mr. President, how do you view the criticism of the role of the coalition? There are persistent rumors in the opposition sector that its activities continue to decline, that it does not play an outstanding role within the government.

[Aylwin] This is a presidential system of government. The country is ruled by a presidential system of government. It is up to the president of the Republic to determine the guidance for government tasks. He selects his collaborators and makes the decisions on actions to be taken by the government. The Coalition of Parties for Democracy conveyed to me their full confidence when they decided to elect me to be their presidential candidate and later, in a document that was signed before the elections. Chile is not ruled by a dual government [co-gobierno] or by a government of political parties. Political parties support the government in the same way that the president remains loyal to the basic platform with which he has promised to comply. I believe those criticisms are groundless. I believe the Coalition of Parties for Democracy is fulfilling its tasks with loyalty. It has maintained its confidence and support for the government and the cabinet. It cooperates with the government and the government listens to it. I am very satisfied because the Coalition of Parties for Democracy fully supports my governmental task.

FACh Commander Comments on Human Rights Cases

PY1203231991 Santiago Radio Chilena Network in Spanish 1700 GMT 12 Mar 91

[Text] General Fernando Matthei, the Air Force [FACh] commander, has stressed that he will report to the courts if any human rights violation is found to have occurred during his 12-year term as the FACh commander. He made this remark after meeting with President Patricio Aylwin at La Moneda Palace. Matthei invited Aylwin to attend the anniversary ceremony of the FACh on 21 March. He was asked how the Air Force will respond to cases of human rights violations following the FACh declaration that was released on 8 March.

[Begin recording] [Matthei] Before the law and from a moral viewpoint, if anything is found to have been done during my 12-year term as commander in chief, I will be the first to explain and to face the issue, whatever the case. That is the only way in which I would react.

[Reporter] Are investigations being performed (?within the FACh)?

[Matthei] In the Air Force no.... [changes thought] the Rettig report did not mention any case during my term as FACh commander in chief.

[Reporter] In this case, will reports to the courts....

[Matthei, interrupting] Of course. If any case is found to have occurred during my term I obviously will, but the Rettig report mentioned no case. [end recording]

Matthei said that the FACh owed an explanation to the country on the human rights violations issue, and for this reason the institution wanted to issue its explanation as soon as possible.

In this regard, he stressed that General Gustavo Leigh, retired, has, in a gentlemanly way, assumed his responsibility over what happened while he was the FACh commander and a member of the military junta.

Matthei said that the FACh as a whole agreed on the declaration issued on 8 March, adding that it was drawn up by all FACh generals.

Matthei concluded by saying that he will agree to any initiative to restore the honor of General Alberto Bachelet, who was tortured to death in March 1974.

Demonstration Against Judicial Branch Reported

PY0903160091 Santiago Radio Nacional de Chile Network in Spanish 1000 GMT 9 Mar 91

[Text] Incidents occurred in the streets near the court building and at Ahumada Promenade when a group of people demonstrated against the judicial branch. Carabineros controlled the incidents, which became violent when demonstrators threw a Molotov bomb at a police car. The demonstrators condemned the human rights violations reported by the Rettig commission. Several Carabineros patrols with water cannons and tear gas grenade launchers were deployed in the vicinity of Government House to maintain order.

Bomb Thrown at Home of Supreme Court Justice

PY1303033291 Santiago Radio Nacional de Chile Network in Spanish 2300 GMT 12 Mar 91

[Text] A group of four or five individuals riding in a car threw a bomb at the residence of Supreme Court Justice Efren Araya on Independence Avenue and England Street in Santiago's north sector. At the same time, a machine gun volley was fired at the Carabineros agent on guard there. Nobody was hurt in the attack.

Argentine Foreign Minister Di Tella Arrives

PY1203132091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 12 Mar 91

[Text] Argentine Foreign Minister Guido Di Tella has arrived in Santiago for an official 24-hour visit. Upon his arrival he noted that Chilean-Argentine integration should not be affected by Argentina's current economic problems. Di Tella, who took over as foreign minister in January, said he will hand Chilean President Patricio Aylwin a warm and affectionate message of solidarity from Argentine President Carlos Menem today, adding that the message will emphasize the restoration of democracy in Chile. After meeting with the Chilean president, the Argentine foreign minister will travel to La Paz.

Aylwin Meets Di Tella

PY1203214991 Santiago Radio Chilena Network in Spanish 1700 GMT 12 Mar 91

[Text] Argentine Foreign Minister Guido Di Tella said today that Argentina expects Chilean President Patricio Aylwin to visit around the middle of this year. Di Tella added that Aylwin's visit is important for Argentina.

Di Tella briefly commented after meeting with President Aylwin in La Moneda Palace today. He said that the meeting was positive and that Argentine-Chilean relations are excellent. He concluded by saying that relations are among the main concerns of the Argentine foreign policy.

Colombia

EPL Spokesman Murdered on Northern Coast

PA1303024091 Madrid EFE in Spanish 1457 GMT 12 Mar 91

[Text] Bogota, 12 Mar (EFE)—The police have reported that Edgardo Rincon Rincon, a spokesman of the former Colombian guerrilla group, Popular Liberation Army (EPL), on the country's northern coast, was shot to death today.

Rincon Rincon was shot at point-blank range several times by two gunmen riding a motorcycle in the town of San Alberto, Cesar Department, 700 km north of Bogota.

The authorities said the murderers fled after the crime.

The EPL surrendered its weapons and turned into a new political party called Hope, Peace, and Liberty on 1 March, after signing a peace agreement with President Cesar Gaviria's administration.

Shortly before signing the peace pact, EPL Commander Bernardo Gutierrez said that he had received threats against his life and that of some EPL spokesmen.

Armed Forces Commander Views Potential for Peace

PA0903132391 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 9 Mar 91

[Text] The Armed Forces's top command feels that the possibility of reaching peace with the Simon Bolivar National Guerrilla Coordinating Board [CNG] is not very distant. They base their view on the fact that political circumstances leading to a demobilization of the guerrillas are taking place, because the guerrillas are practically wiped out in military terms.

[Begin Armed Forces Commander General Luis Eduardo Roca] We will (?destroy) in less than 90 days everything the rebels have done in the past 27 years. [end recording]

He said the 240 rebels killed in fighting so far this year constitute more proof of that view. He said, however, that this situation should not serve to accuse the Armed Forces of torpedoing the peace process that the government is conducting with the guerrillas.

[Begin Roca recording] Authority must not come to an end simply because there is a peace process. Authority must always be exerted, and that is why we are enforcing it. I do not know if that is what they refer to as torpedoing. [end recording]

The Armed Forces chief added that this is the reason why the third phase of the Centauro operation has been intensified in La Uribe region, the same place the CNG has mentioned as a possible site for the talks with the government.

Number of Weapons Turned Over by EPL Questioned

PA1103003991 Bogota EL NUEVO SIGLO in Spanish 5 Mar 91 pp 1, 9

[Text] According to Manuel Medina, member of the Spanish Socialist Workers' Party (PSOE) and an international supervisor of the Popular Liberation Army (EPL) demobilization process, the EPL has turned in 600 weapons that were later destroyed in Medellin.

The weapons were turned over on 1 March by 2,000 rebels stationed in the following camps: Pueblo Nuevo and Labores in Antioquia Department; Arenas in Bolivar Department; Juan Jose in Cordoba Department; Villa Claret in Risaralda Department; and Campo Giles in Norte de Santander Department.

The data on the EPL's weapons inventory was provided by Medina to a group of reporters at Pueblo Nuevo, Antioquia, where the largest number of arms was turned over. This information was again verified at the Simesa [expansion unknown] installations in Medellin.

Medina gave his report just before the weapons were melted down. The melted steel will be used to erect a monument in honor of Oscar William Calvo and Erneso Rojas, former EPL commanders who died several years ago.

According to Medina, there is no true relationship between the number of demobilized rebels, 2,000, and the number of weapons turned over, 600.

What explanation can be given for the disparity between the number of demobilized guerrillas and the number of weapons?

Never Muskus, commander "Beto", in charge of the Pueblo Nuevo camp, said that the number of rebels does not always correspond to the number of weapons. According to Muskus, the guerrillas' situation is different from that of the Army where each soldier is issued a weapon.

Muskus explained that the EPL is a rebel organization very similar to other guerrilla groups. The EPL relied on the so-called peoples' militia, a type of urban commando, comprised of unarmed men who devoted themselves to political activities such as indoctrinating townspeople.

His explanation, however, did not clarify the apparent disparity between the number of demobilized men and the number of weapons.

After the Revolutionary Armed Forces of Colombia (FARC), the authorities considered the EPL as the best armed rebel group, even better armed than the Army of National Liberation (ELN).

If the EPL turned in only 600 weapons—as reflected by the inventory list provided by Medina—then only one-third of the members of this organization had enough weapons to continue fighting against the Armed Forces. The other two-thirds were assigned to political propaganda activities.

This one-third, however, was very well equipped. The EPL turned over R-15 Galil rifles, G-3 rifles, and other sophisticated long-barreled weapons and handguns.

There could be another explanation for the discrepancy between men and weapons—the desertions.

The exact number of deserters in the Labores, Campo Giles, and Putumayo camps were never made known by the EPL General Command. Only an approximate number of deserters was announced.

If the number of rebels who decided to return to the jungle to continue their armed struggle is not exact, the number of weapons they took back with them must also be inexact.

Approximately 27 rebels from the Labores Camp in Antioquia departed before the preliminary demobilization agreement with the government was signed. EPL spokesman later said: "It is very difficult to determine the number of weapons these rebels took with them. The only thing that can be established is that these were very modern and sophisticated weapons.

For now, the only official version was given by Medina. The EPL, which now means Hope, Peace, and Liberty [esperanza, paz, y libertad] claims it turned over all of its 600 weapons; the government appears to believe it.

Bogota To Change Justice Administration System

PA1003134091 Bogota Radio Cadena Nacional in Spanish 1200 GMT 9 Mar 91

[Text] The government, through Justice Minister Jaime Giraldo Angel, has announced that there will be important changes in the administration of justice, especially in the prison system, the functions of local authorities, and the utilization of assets confiscated from drug traffickers.

The justice minister said that the executive branch is preparing decrees so that dollars and assets seized from drug traffickers may be used by Colombia's justice system.

The minister said administrative measures must be adopted to eliminate the problem of overcrowded prisons throughout the country so that the sentences do not become degrading.

Finally, Minister Giraldo Angel said that municipal inspectors and mayors will be given additional authority and functions so that they may resolve local conflicts to help clear up courts and judicial offices.

Ecuador

Minister Announces End of Strike; Talks To Begin

PA1203163391 Quito Radio Quito in Spanish 2300 GMT 11 Mar 91

[Text] The strike in the Amazon region has ended. Government and Justice Minister Cesar Verduga made the announcement. He is currently meeting with provincial authorities to iron out the details of the settlement that ended the strike.

Minister Verduga said that since the strike is over, it is possible to engage in talks. Inhabitants of Francisco Orellana and La Joya de Sacha Cantons began a strike 13 days ago to demand that the government allocate resources for electricity, potable water, sewer projects, and roads.

Paraguay

Counterfeit Gang Arrested; Currency Seized

PY1103174491 Asuncion ABC COLOR in Spanish 10 Mar 91 p 2

[Excerpt] The police have confiscated $1 million in counterfeit dollar notes from six members of what could be a huge international counterfeiting ring. This amount could yield approximately 1.3 billion guaranies on the market. The police also confiscated 40 million guaranies in counterfeit notes. The money was found in a house in Campo Grande, but the notes were reportedly printed in Buenos Aires and Resistencia in Argentina. The possibility that the activities of the gang may be linked with the arrest of Colonel Carlos Gimenez on 3 March in Miami—Gimenez was allegedly carrying $100,000 in counterfeit dollars—has not been ruled out.

The arrest of the six men—five Argentines and a Paraguayan surnamed Penayo—was the result of a police investigation into the gang's activities. In the past few days, the members of the gang have been showing off and spending their ill-gotten wealth and money in a manner that attracted the attention of the police. For example, some of them bought oranges at the Sajonia soccer stadium and paid with 10,000-guarani bills while showing off wads of notes, boasting of their new standard of living.

The investigations led to a house in the vicinity of Police Precinct 10 in Campo Grande, where the men were arrested and the counterfeit money confiscated.

High-ranking police sources yesterday confirmed that the gang had $1 million in counterfeit bills and that the members of the gang had already circulated some of the notes. The Argentines and the Paraguayan, whose names have not yet been reported, are being held at Police Precinct 2. They are believed to be the persons in charge of "exchanging" the counterfeit dollars and guaranies. A police source said the detainees may also be involved in the shipment of the bills from the sites in Argentina where the money was forged. [passage omitted]

Police Chief Briefs President

PY1103202791 Asuncion RPC Television Network in Spanish 1600 GMT 11 Mar 91

[Text] General Francisco Sanchez, chief of the Asuncion Police Department, this morning briefed President Rodriguez on the procedures taken to disband a gang that has been counterting U.S. dollar and guarani bills.

[Begin recording, in progress] [Sanchez] ...through a broadly coordinated action with other police departments, we found out that a printing shop has been operating in Buenos Aires. We then arrested four people: two Argentines, one Spaniard, and one Paraguayan. These people managed to bring to Paraguay from Argentina approximately 50 million forged guaranies and some forged U.S. dollars. Contrary to newspaper reports, the amount of U.S. dollars seized from them only amounts to $2,400. This was what was leftover from the $800,000 that was forged in Buenos Aires. This is the information that I conveyed to the president.

[Reporter] Is the Paraguayan Airline pilot connected in any way with this case?

[Sanchez] According to our investigations, that appears to be a different case. This case involves another group that is also operating with forged U.S. notes. Our investigations are still under way and so I cannot add anything to the press reports.

[Reporter] Are they another group within our country?

[Sanchez] Yes, here in Asuncion.

[Reporter] Has any connection been established between the two groups?

[Sanchez] Yes, we have reports on the people involved, but we are still in the process of investigation. [end recording]

Counterfeiting Scheme Detailed

PY1203185191 Asuncion ABC COLOR in Spanish 11 Mar 91 p 7

[Text] Counterfeit dollar and guarani bills have been circulating in our country for seven months according to yesterday's reports by high-ranking police sources who added that the international gang of money counterfeiters has contacts practically all over the eastern region of Paraguay. Operations have been conducted recently in Amambay, Paraguari, and Alto Parana Departments seeking to capture other people involved in this case. The five Argentine citizens and one Paraguayan who were arrested during a raid in Campo Grande—where 1 million counterfeit dollars and 40 million counterfeit guaranies were found—are being questioned at police premises. The names of three of them were released yesterday. Meanwhile, Colonel Carlos Gimenez, the

LAP [Paraguayan Airlines] pilot who was arrested in Miami while carrying $100,000 in counterfeit bills is still in jail in Miami.

Three of the alleged forgers were identified yesterday as Ramon Penayo, a Paraguayan citizen, and the brothers Claudio and Marcelo Benedetti, both Argentine citizens. They are being held at the 2d Police Precinct where they are being thoroughly questioned.

The three were arrested during the biggest operation to have been carried out so far. Two weeks ago 2d Police Precinct station personnel and other police units raided a house at the corner of Teniente Maciel and Genaro Romero Streets in Campo Grande. During this operation they seized 1 million counterfeit dollars and 40 million counterfeit guaranies. Five Argentine citizens and one Paraguayan were arrested during this operation.

Sources close to the investigation yesterday reported that counterfeit dollars and guaranies have been coming to Paraguay for the past seven months from Buenos Aires and Resistencia, Argentina. The sources added that counterfeit bills are currently circulating in our country.

According to available information, counterfeit $10- and $100-bills and 10,000-guaranies have been detected.

"During the past weeks we have detected forged dollars and guaranies in the hands of shop owners and other people who were caught unaware by the money 'distributors.' A lot of forged money is currently circulating in our market and we have to be careful," the police sources said.

FBI agents have been investigating in our capital for the past six months. The sources said that the U.S. police were immediately notified when the local police first discovered counterfeit dollars so as to coordinate the efforts of the two departments.

The investigation has been discreetly under way since the middle of last year and it became public only after the arrest in Miami on 3 March of Colonel Carlos Gimenez—a Paraguayan Airlines pilot—who was allegedly carrying 100,000 counterfeit dollars.

During the past few days the police have raided several premises in Pedro Juan Caballero, Paraguari, Ciudad del Este, and other cities.

The sources said that the sensational criminal organization has tentacles that reach almost everywhere in the country's oriental region. It is not known if the police have arrested more people or if they have found other money counterfeiting centers during these raids. The police have not dismissed the possibility that counterfeiting operations were also conducted in Paraguay.

The police investigations are allegedly being conducted in Argentina as well, seeking to capture other members of the international organization. According to the source, Buenos Aires and Resistencia are probably the main command centers for the printing of dollars and guaranies that are later distributed in our country.

According to police sources, individuals with strong economic power who reside in Argentina may be responsible for the printing and distribution of large amounts of counterfeit dollars and guaranies.

Some of these individuals have allegedly been identified by the Argentine police but due to the lack of hard evidence is unable to prosecute them. "These people know how to operate without leaving evidence. They never carry counterfeit money on them," the sources said when explaining why they have not been arrested.

The police, meanwhile, continue to refuse to give official details of the case. Yesterday reporters could not find out anything at the Aeronautics Command because, according to the guard, not one single authority was at the office.

Officer Comments on Corruption

PY1303003791 Asuncion ULTIMA HORA in Spanish 12 Mar 91 p 13

[Text] 1st Corps commander General Humberto Garcete this morning said that the involvement of some members of the Armed Forces in corruption damages the image of the armed institutions.

Gen. Garcete thus referred to the arrest in Miami of Colonel Carlos Gimenez, a LAP [Paraguayan Airlines] pilot who is alleged involved in the counterfeiting of U.S. dollars, to the attack on reporter Hector Guerin by members of the Air Force, and to other individuals [not further identified] in Ciudad del Este.

Garcete added: "Unfortunately these events contradict the teachings given to members of the Armed Forces. I believe, however, that these are very isolated cases and we hope they will not happen again. I have never heard of any general being involved in drug trafficking."

Regarding the attack on reporter Guerin he said: "No one can accept the use of force in a cowardly manner especially against a member of the press who his doing his job, informing society on the real situation in that zone."

He said: "We are concerned that a man in uniform is involved in this case but that does not necessarily mean that he is a member of the Armed Forces. The press occasionally makes accusations without basis, and it is difficult to say if that individual really belongs to the Armed Forces."

He added: "It is a very serious incident and if the cooperation of the Armed Forces is required, we will help. We will investigate whether the man who fired shots at the reporter is really a member of the Armed Forces. The control over private airfields is not our responsibility. There are institutions especially created for that purpose."

Gen. Garcete also reported that he will attend a seminar on "The Role of the Armed Forces in the Democratic Process" in Montevideo, Uruguay. He will go with Generals Antonio Rojas Ortiz and Regis Anibal Romero.

Peru

Poll Shows Fujimori 'Lost' Confidence of Voters

PY1203220191 Madrid EFE in Spanish 1949 GMT 11 Mar 91

[Text] Lima, 11 Mar (EFE)—According to the polls, Peruvian President Alberto Fujimori has lost the confidence of half of his voters within seven months of assuming power in an unprecedented erosion of popularity since the reinstatement of democracy in 1980.

Fujimori won the presidential election in a run-off election with about two thirds of the votes. He has lost popular support at a faster rate and in less time than his two predecessors, the center-right Fernando Belaunde Terry (1980-85) and left-wing populist Alan Garcia (1985-90).

According to polls conducted by the "Datum" institute, Peruvians are skeptical and pessimistic over whether within the next six months Fujimori can alleviate the acute problems stemming from the serious economic crisis, terrorism, and drug trafficking.

The polls conducted after Fujimori's first six months in office have confirmed that the confidence in the president has declined from 69 percent in November 1990 to 31 percent in February 1991 and that 54 percent of the voters now disapprove of his government.

According to the polls, confidence that things will improve ranges from 23 to 27 percent and pessimism that everything will remain unchanged or get worse ranges from 66 to 78 percent.

A political analyst of the weekly "CARETAS" has attributed "the abrupt and radical erosion" of the Peruvian president's popularity to the "decadence" in the country.

The analyst added that as well as Fujimori's premature popularity erosion there are other factors that indicate that his government is "fragile and unstable." These factors include the absence of a political base and Fujimori's quarrels with the other state branches.

The heterogeneous "Change 90" movement that took Fujimori to power in July 1990 is on the verge of a split and Peruvian Second Vice President Carlos Garcia, an evangelist pastor and leader, indirectly mentioned last week that he would not oppose the removal of the chief of state.

While one sector of the "Change 90" hailed Fujimori yesterday, 12 founders members of that movement tore up their party membership cards during a television program and announced that they are victims "of a fraud."

The newspaper "EXPRESO" stated that "Fujimori has closed the doors on any cooperation" and said that he has a "self-destructive" bias.

In its analysis entitled "The Risks of Solitude," "EXPRESO" adds: "Seven months after his inauguration, the electoral myth is fading away and we are beginning to see the real character and the clear-cut characteristics of a rookie president who prefers verbal quarrels and bad manners to agreements."

The Fujimori administration will announce tonight the third economic adjustment in six months. It has been announced that this will be "a shock package of economic measures with humanitarian features."

The new measures have been challenged by entrepreneurs who believe national industry will be "unprotected" as a result of the 15-percent reduction of most customs duties. The measures have also been challenged by trade union leaders who foresee increased unemployment.

Fujimori announced that the adjustment does not involve "shock gasoline price increases or shock utility rate increases" as in the previous two adjustments, the first of which increased prices 30 times in August 1990, and the second of which involved a 50-percent increase in December 1990.

Economy Minister Bolona Announces New Measures

PY1203143091 Lima RTP Television Network in Spanish 0335 GMT 12 Mar 91

[Speech to the nation by Economy and Finance Minister Carlos Bolona Behr; place and date not given—live or recorded]

[Text] Good evening. As established by Article 224 of the Constitution, next month I will accompany the cabinet presided over by Mr. Carlos Torres y Torres Lara to Congress to explain and discuss the government plan and the political and legal measures required for my administration as economy and finance minister.

By order of the government, I am addressing you tonight for two reasons: First, to deny rumors about adjustments to prices and utility rates, which have alarmed the population; and second, to announce and explain some measures to consolidate the progress made so far in stabilizing the economy and to intensify and begin structural reforms to modernize the country and change its productive structure. This is the only way we will be able to guarantee improved well-being for the people through the creation of more jobs and an increase in real income.

The government's goal is that of all Peruvians: to develop the country, generate more jobs, and distribute wealth; in sum, to attain the well-being of the entire population. This is and should be the goal of all governments, because they essentially have a debt to the people

who elected them. The government's efforts should be concentrated on allowing all Peruvians, without any distinctions, to live better, and the country should offer its citizens work, education, health, infrastructure, and security.

Last August, President Alberto Fujimori's administration launched a stabilization program with the goal of eliminating hyperinflation, reestablishing relations with the international financial community, and modifying the legal and institutional framework so that companies' decisions on production and investment take into account not only their own realities but those of the whole country.

Before referring to the specific measures adopted by the government in the past few days, I would like you to allow me to make a brief reflection on the bases of the government economic policy. Addressing you is a minister absolutely convinced of the convenience of reinserting the Peruvian economy into the international financial system. This reinsertion is not only—as some people think—aimed at renegotiation with our creditors to obtain more credits and donations. Reinserting Peru in the world implies the transformation of our productive companies and their infrastructure, reforming the state and its institutions, changing our attitudes, and understanding that in the current world capital flow and trade barriers are old and senseless instruments.

Isolation does not lead to anything positive, and self-sufficiency as an objective is an anachronistic concept. The best way to help Peruvian farmers, who for ages have produced the best potatoes and corn in the world, is to offer these products, which are consumed in Peru, in the most important cities on all continents.

Reinserting the economy means that the made-in-Peru seal should be an expression of pride, quality, and good price. Peruvian consumers must have access to the new products that are appearing in the world. Our producers must be able to use equipment and technology developed in any part of the world to avoid being limited as international competitors with new ideas, products, and services in markets which are expanding daily.

The reintegration of Peru into the world is not an easy or light task. It is not restricted to what the economy minister who is now speaking to you does or fails to do. It is a slow and difficult process which requires everyone's efforts.

The government will implement a number of structural reforms to free Peru's productive activities; to free the entrepreneurs, who can and must modernize their industries to make them more competitive, bravely facing the world; to free the workers, who must train themselves to use more efficient procedures and equipment to increase their productivity.

All of Peru must leave behind the remnants of an excessively autarkic past and finally dare to fully confront the challenge of efficient interrelations with the world that surrounds us. We want to clearly establish this government's goal of supporting the promotion and development of exports.

Thus, I want to announce an overall reform of our foreign trade that will abide by different rules of the game. This will not only allow us to substantially change the country's productive structure, but also to anchor the economic stabilization and reverse the tendency of productive activities to shrink. To accomplish this, the system of customs tariffs has been amended to reduce rates and their excessive variety. From now on, there will be only two customs rates: 15 and 25 percent.

The products that previously entered our country paying a 25-percent duty will now only pay 15 percent. Products which paid a 50-percent customs duty have been divided into two groups. All components and capital goods, and consumer goods for which our country does not have any comparative advantage, have been reduced to 15 percent. This is the case, for example, with vehicles. As of today, vehicles will pay a 15-percent duty.

Furthermore, used vehicles may be imported. In the case of used vehicles designed for urban transportation, the payment of customs duties could even be made in installments. This is aimed at promoting the modernization of the fleet of vehicles designed for urban passenger transportation.

The decision to import a new or used vehicle will be made by the consumer himself, and the consumer must assume the responsibility of his own decision.

Housewives will have the opportunity to choose their goods with the certainty that, thanks to competition, prices will go down. When prices go down, they will be able to meet their needs.

With this important reform, 80 percent of the imported goods categories now fall under the 15-percent customs duty. However, nearly two-thirds of the production of consumption goods still fall under the higher customs duty bracket.

Therefore, customs duties have been reduced from 26 to 17 percent on the average, and they will gradually be consolidated at 15 percent.

It has been argued that this reduction will affect industry that serves the domestic market, prompting shutdowns of enterprises and unemployment. There is no reason for this to happen.

To this tariff level that we are establishing, one must add the natural protection offered by the cost of transportation, which provides a reasonable level of protection.

Furthermore, when we talk about the possible impact on national industry, we are talking about a group of enterprises that involve only 3 percent of total employment. Therefore, the promotion of export activities, which involve intensive employment, will yield a definitively

positive final balance for the benefit of the vast majority, namely consumers, who have usually been neglected.

Such an important reform would remain incomplete if, at the same time, we do not remove—as the government has done—all the restrictions, controls, licenses, registries, and monopolies that limit the free flow of goods, and if we do not reorganize—as the government intends to do—the customs system for the entry of merchandise, which has been a source of corruption and gross inefficiency.

Beginning today the import of goods will not be blocked by permits or by the need to request institutional approvals, which many times serve to cover up special interests which harm consumer interests and the interests of the majority of Peruvians, whom we must indeed protect.

This measure will allow a reduction in the price of basic products such as food and medicines. Beginning today, and in order to promote exports, taxes paid by exporters of nontraditional products for duties or general sales taxes will be considered a down payment on their income and real estate taxes. This benefit will be extended to all other exports as our fiscal situation improves. In addition, we have improved the temporary admission mechanism eliminating previous permits. In the course of this week we propose to issue a set of regulations against dumping; that is, disloyal foreign competition.

Another basic economic policy objective is the elimination of inflation. To accomplish this, the government will maintain strict fiscal discipline at all times. It is necessary to prove to the population that this trend will not be reversed. We need a simple, just, and clear tax system and an efficient and honest administration to complement our fiscal policy.

Regarding spending, it is essential to restructure the state apparatus, rationalize personnel, end unproductive expenditures, privatize all activities that can be more efficiently performed by the private sector, and improve social spending for health, education, and the creation of jobs. The government will create a special fund of up to $40 million to finance the social emergency program, attend to the emergency created by the cholera epidemic, and to create jobs.

Regarding the tax system, the government, in cooperation with Congress, will enact complementary measures to increase revenues, improve control and supervision, and broaden the tax base. My special priority will not be those who are already patriotically paying taxes, but those who are unwilling to pay or are evading their fiscal responsibility.

The new superintendent has started an integral control campaign to check on people who travel abroad, on those who purchase real estate and vehicles, and on those who use security services. This supervision will be carried out to ensure that those Peruvians who earn more and own more will pay more taxes. This campaign will be conducted in cooperation with popular organizations, particularly professional associations, to ensure that every Peruvian fulfills their tax obligations fully and on time.

The government will propose harsher penalties for tax evaders when revising the tax code. The new penalties will be applied during administrative investigation proceedings because these investigations currently cause delays and create difficulties in effectively penalizing evaders.

The crime of tax evasion in a country where children do not have drinking water or the necessary elements for preventive medicine must be penalized with jail terms. We have ordered the remodeling of special detention centers for tax evaders. In his first days of work, the new tax superintendent uncovered more than 100 cases where taxes were paid based on artificially low sales prices. There are limitations, however, with what we can do with more revenue in terms of public finances.

I therefore deem it essential to reduce unproductive expenses. This rationalization of the state apparatus is an task which cannot be postponed. We should take into account the fact that the state—which does not have the funds to increase the low salaries paid to hardworking nurses who work to save the lives of patients until late at night—runs companies like the port enterprise, which pays large salaries to longshoremen who do not work.

All ministries have been instructed to reduce their budgeted expenses by at least 10 percent.

Concerning state-run enterprises, I would like to announce the elimination of inappropriate privileges for an initial group of eight enterprises.

As for the state's entrepreneurial role, the government has issued regulations to restructure and reorder it. This cannot be put off, because the state should again concentrate its efforts on what should be its main tasks: internal security, the administration of justice, the provision of infrastructure that the private sector cannot build, and spending in the health, education, and employment sectors. This will allow the state to increase equal opportunities for the people.

The Peruvian financial system has not yet recuperated from the blows it suffered from the incorrect policies adopted by the previous government. It is necessary to recover the people's confidence and reduce state intervention, encouraging competence and thereby reducing costs and improving services.

Even though it will take some time to complete a comprehensive financial reform, the government and the Central Reserve Bank Executive Board have agreed to remove all restrictions affecting the exchange market and financial operations with foreign currency.

Consequently, it has been decided that bank certificates issued in foreign currency—which were frozen by the

previous government, affecting the legitimate rights of many savers—will be freely cashed.

Based on the powers bestowed upon it by Congress, the government will soon approve a new banking and insurance law in order to establish a legal instrument which can promote a healthy, efficient, and modern financial system. In this system the market, rather than the state, will assign the funds and set interest rates and insurance policies. This new law will also expand the powers of domestic and foreign financial middlemen over a wide range of operations. In exchange for this broader operational freedom, financial institutions will have to work within a regulatory system of preventive supervision which will be stricter and under which rules violations will be severely punished. This will prevent swindles against unknowing people, which have happened so easily over the past five-year period.

This new law will set the minimum amount of capital for financial institutions and a ceiling for credit operations. It will provide monetary and penal punishments for those who break its basic regulations.

Concerning the foreign debt, my portfolio will continue the efforts that have been made by the government. We have reiterated to multilateral organizations our determination to find mutually satisfactory solutions. We hope a support group will be created very soon to provide the funds that are necessary to fully implement the public investment program.

In early April I will travel to Japan to attend a meeting of Inter-American Development Bank governors, and I will take advantage of that opportunity to restore direct dialogue with our main creditors.

We are going to ask the Paris club members for conditions leading to a significant reduction of the debt and its services. We must convince our creditors that this concession is essential to achieve a payment structure that is compatible with the real capacity of the Peruvian economy in order to make its long-range balance of payment feasible again.

We must admit, however, that we ourselves will be the best available source of help over the next few months.

The most difficult myth to overcome in Latin America is the utopian deception that the state is the savior of man and society. Peru will not be saved by the state, nor by the help that it may receive from abroad.

Peru will be saved by Peruvians; by enterprises that are not afraid of innovating, competing, and growing; by workers who feel that their creativity and imagination are as good as those of any foreign worker; by investors who can see the comparative advantages of our natural and human resources; and by teachers who educate our children and youth, not on the basis of the repeated frustrations of the past but on the hope for opportunities in the future.

The regulations that have been approved are not an unrelated string of isolated measures. They make up an organic whole that will permit a reduction in inflation, which will lead to an improvement of salaries. We are laying the groundwork for sustained and balanced growth, the creation of new jobs, the improvement of credit operations, compensation for the exchange rate gap, the promotion of decentralization and the effective growth of regional economies, and strengthening the external position of our economy.

I am convinced that inflation is the most unfair tax, because it hits the people in the lower income sectors and those who earn fixed salaries or pensions hardest. If inflation does not stop, it will be impossible for the economy to grow once again in a healthy and sustained manner.

This program is based on a healthy fiscal policy, a monetary policy that will take into account the promotion of the productive sector, and a properly financed public investment program for employment, health, and education.

These structural reforms will contribute to economic stability and help reverse the current recession through the promotion of exports and a more efficient allocation of resources, based on our country's comparative advantages.

These reforms will open new opportunities for investment, technological innovation, production, and employment, which will provide for everyone's well-being and which will improve income distribution.

I am working in an orderly fashion and honestly, with an able team of experienced officials, strict control over the management of public funds, an ethical approach to serving our country, and open access to representatives of the productive sectors.

My friends, I would like to take advantage of this first chance to address all of you to thank the president for the major opportunity he has given me to serve the country, from an advanced position, in the all-out struggle for progress and against poverty, in which all of us should now be engaged.

The circumstances that Peru is today experiencing are similar to those which, throughout history, have tested the courage and optimism of peoples and their institutions.

I am a Peruvian who is convinced that, despite the current serious situation, our fatherland has a promising future of improved well-being for everyone. Our success in this undertaking will depend on whether we clearly understand the situation prevailing in a world in which we have to compete in order to progress. It will depend on whether we can precisely identify the problems to which we should give priority in this effort to reconstruct our institutions and values. It will also depend on whether we will be able to generously provide our

solidarity in the difficult task that lies ahead of every one of us. Thank you very much and good night.

Venezuela

Minister Resigns; To Participate in Politics

PA1203192391 Paris AFP in Spanish 1601 GMT 12 Mar 91

[Text] Caracas, 12 Mar (AFP)—Official sources today confirmed that Venezuelan Foreign Minister Reinaldo Figueredo has resigned to participate in the internal elections of the ruling Democratic Action (AD) party.

Figueredo aspires to become AD secretary general in Miranda State, which includes eastern Caracas and which is one of the most important and largely populated states in the country.

President Carlos Andres Perez has yet to announce who will replace Figueredo, but diplomatic and journalistic circles hinted that it might be Ambassador to Colombia Fernando Gerbasi. Gerbasi should be arriving in Caracas on 14 March when he accompanies Colombian President Cesar Gaviria on his two-day official visit to Venezuela.

Guyana

Dollar Devalued for 3d Time Since 20 Feb

FL1203132091 Bridgetown CANA in English 1218 GMT 12 Mar 91

[Text] Georgetown, Guyana, March 12, CANA—The central bank on Monday announced a new exchange rate of 115.25 Guyana dollars to the U.S. dollar, the third devaluation of the official exchange rate here since the February 20 budget presentation. The budget had set an official exchange rate of 101.75 Guyana dollars to the U.S. and Finance Minister Carl Greenidge said then that there would be weekly adjustments to reflect movements in the cambio or parallel market rate.

The Guyana dollar traded officially last week at 106.75 to the U.S. on the cambios, trading was at the rate of 128 to the U.S. up to last Friday. By midday Monday, however, the Guyana dollar had made some recovery and was trading at 120 to the U.S.

There were mixed views among licensed currency dealers about the prospects for the Guyana dollar. One dealer said if the value of the U.S. dollar continues to rise steeply, companies would find it unprofitable to do business and the result would be a crash of the U.S. dollar. Another dealer predicted the Guyana dollar would continue to decline and could be traded at 200 to one U.S. in a few months if the government fails to crackdown on illegal currency trading.

Unions Demand 300-, 400-Percent Pay Increase

FL0903135591 Bridgetown CANA in English 1312 GMT 9 Mar 91

[Text] Georgetown, Guyana, March 9, CANA—Pay negotiations between the state Guyana Sugar Corporation (Guysuco) and unions representing sugar industry workers have begun, with one union demanding a 300 per cent increase and another a rise of 400 per cent.

The Guyana Agricultural and General Workers Union (GAWU), the main sugar union, said it is pressing the corporation for a 300 per cent pay increase following presentation of a national budget nearly three weeks ago that triggered price hikes. An official of the union told CANA that GAWU hopes to conclude the talks by this month-end to bring "early relief" to sugar workers. He said that they are under "heavy pressure" in the wake of the budget.

The official said that his union is demanding a 300 dollar (one Guyana dollar equals .94 U.S. cents) a day minimum wage. This, he said, is brought on by the fact that the current wage of 75 dollars a day buys less than the 40-dollar daily wage did in 1989 due to a spiralling cost of living.

GAWU and top Guysuco management met last Wednesday to begin the talks, but the union official said that the meeting was just an "initial" one and did not deal in depth with the 32 union demands. Another meeting is scheduled for next Wednesday when most of the issues will be examined in more detail, the official reported.

The National Association of Agricultural, Commercial, and Industrial Employees (NAACIE), another union, is demanding a 400 per cent pay increase for the sugar workers it represents. Guysuco management has promised to deal with both unions and their issues in a speedy and reasonable manner.